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THE ADMINISTRATION *of the* DEPARTMENT OF STATE
Its Organization and Needs

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THE ADMINISTRATION *of the* DEPARTMENT OF STATE

INTRODUCTION

The Department of State and its "field force," the Foreign Service, provide the official contact between the United States and other governments of the world. It supplies the expert advice and information on which important decisions affecting our relations with other nations are based. By its handling of critical situations it may decide the issue of peace or war.

The proper functioning of the Department of State should, therefore, constitute a first charge on the political consciousness as well as the purse strings of the American people. If the State Department is not properly organized, if it is not staffed with officers of ability, if it is not provided with appropriations large enough to enable it to function as it should, it constitutes a danger of vital concern to the American people.

The State Department has suffered from a number of disabilities in recent years. According to its own spokesman the annual State Department appropriations have not been nearly large enough to meet its needs. While acting entirely within its Constitutional rights and in the interest of economy the Bureau of the Budget has pared down the State Department estimates and, according to the Department, has seriously hampered the executive operations of both the field force and the staff in Washington.

Increased appropriations are needed at once for additional Foreign Service officers and clerks in the missions and consulates; for replacement of Foreign Service officers detailed in Washington; for post and rent allowances of Foreign Service officers assigned to countries where the cost of living is high; for transportation of Foreign Service officers to and from their posts; for additions to the permanent staff in Washington; for promotions and reallocations which have been held up for lack of funds; for the creation of new divisions in the Department; for the printing of State Department publications, and for many other important services.

But the State Department is also suffering from other disabilities which arise in large part from unsatisfactory organization, and a faulty administrative system. In the

first place, the Department has not been able to build up its professional service in Washington. It has been hampered in appointing the kind of experts it needs in the important political, economic and legal divisions by the low scale of salaries provided for professional positions in the government service. As the State Department operates under laws governing all the other executive departments in Washington, it was not affected by the Rogers Act of 1924, which reorganized the Foreign Service. Prior to July 1, 1928, when the salary schedules in the classified service were revised, the highest salary paid for a professional position in the State Department was \$6,000. Under the new schedule it is \$8,000. The classification system as administered by the Personnel Classification Board, which has jurisdiction over all the other executive departments, has increased the difficulty of filling professional positions. Many positions in the State Department have not been properly graded, and promotions have been denied by the Classification Board. Many more promotions have been held up by the Department for lack of funds to pay the increased salary. This, in effect, has deprived State Department officers and employees of salaries to which they are entitled by law. Largely as a result of its inability to pay higher salaries or to grant promotions when justified, the State Department has lost the services of many of its best officers and employees through resignations. During 1927-28, 138 State Department employees, representing 23 per cent of the entire personnel, resigned or left the Department.

The State Department itself, however, has adopted no system for selecting officers for its professional service. While appointments to the Foreign Service are made on the basis of written and oral examinations, and competitive examinations are held by the Civil Service Commission for most other government positions, appointments to the higher professional positions in the State Department have been made without any examination whatever.

To fill professional positions for which it could not find competent experts, the State

Department has resorted to the expedient of assigning Foreign Service officers to Washington. These officers, who were originally appointed for service in the field, are permitted by law to remain only four years in Washington, with the result that there is a high rate of turnover in important positions in the Department. Furthermore, the salaries of Foreign Service officers are higher than those paid in the Department so that frequently the assistant chief of a division, who is a Foreign Service officer, receives more than his chief who is a State Department officer. Even under the new salary schedules for the District of Columbia the four Assistant Secretaries of State receive the same compensation as Foreign Service officers who are assigned to subordinate positions in the Department.

These Foreign Service officers are urgently needed for duty in the field. In 1928, fifty-one Foreign Service officers were assigned to the Department when both branches of the Foreign Service needed 122 additional career men to take over consulates now in charge of clerks, or to strengthen missions which are undermanned. At the present time thirty-one American consulates are in charge of clerks.

Responsibility for the proper organization and functioning of the State Department is divided between Congress and the Department itself. The Department, through its executive head or through the President, is expected to inform Congress of its needs, while Congress is charged with the duty of enacting any legislation when necessary and the appropriation of funds required by the Department for its efficient administration.

While the Bureau of the Budget has consistently cut down the preliminary estimates of the State Department, and Congress has usually voted only those funds approved by the Budget, at no time during the past five or six years has the State Department itself requested the full amount which it would require to function as it should. The only substantial increase in appropriations requested by the State Department during this period was made a few months ago when the estimates for 1930 were sent to the Budget Bureau. These called for an increase from \$14,648,000 appropriated for 1929, to

\$17,360,000 for 1930. With the exception of approximately \$250,000, the entire increase was disallowed by the Bureau of the Budget. The Department's preliminary estimate, however, had only provided for its minimum requirements, and the most urgent needs of the Foreign Service.

Thus, while the State Department has requested increases for many particular items, it has never presented a statement of its maximum needs to the Budget or to Congress. Although the Rogers Act specifically authorized "representation" allowances for ministers and ambassadors to compensate them for the heavy expenses incurred in their official capacity, the State Department has never requested an appropriation for this purpose. Practically every other important power grants such allowances. The British Government provides its Ambassador in Washington with \$67,500 in addition to his salary. Adequate funds have never been requested to provide Foreign Service officers with post and rent allowances. A number of Foreign Service officers have resigned from the service because of inability to live on their salaries.

The State Department has not, moreover, undertaken a thorough-going survey of its needs in recent years, or come forward with a general plan embodying its own ideas with regard to reorganization. It has not placed the full responsibility for the administration of the Department and the Foreign Service as a whole in the hands of any single officer of high rank. As a result administrative reforms have been neglected and the Department has not taken the initiative in bringing about its own internal reorganization.

While increased appropriations for the State Department and Foreign Service are clearly needed, the granting of these funds will still leave unsettled the more important problems of organization. Some answer to these problems, which involve the basic question of whether the State Department should remain a part of the executive establishment in Washington or whether it should be amalgamated with the Foreign Service to form a unified Service of Foreign Relations, must come from the Department and from Congress.

IMPORTANCE OF DEPARTMENT OF STATE

Under the American system of government the President is responsible for the conduct of foreign affairs. He it is who determines policy and directs negotiations with foreign governments. Congress retains the sole authority to declare war, and the Senate, through its power to advise and consent in the ratification of treaties, may exercise an absolute veto on international agreements proposed by the Executive. But these powers are essentially negative, and the President retains an unfettered initiative in all dealings with foreign powers.

The Department of State is the agency through which the President acts in dealing with foreign affairs. The information and the expert advice on which important policies are based is supplied by the Secretary of State through the permanent officers serving in the Department at Washington and in the missions abroad. While the final action to be taken in a diplomatic crisis may be determined by the President, the preliminary steps which lead up to the crisis, the facts upon which the action is based, the manner in which it is carried out, are determined in large part by the permanent State Department staff and the Foreign Service officers in the field.

The duties performed by this permanent staff and the influence which it exerts on policy formation have increased in recent years with the growth of America's interest in world affairs. Weakness in no other branch of the government is comparable in its effect on the country as a whole with weakness in the department responsible for foreign relations. For in the last analysis a foreign office may by its conduct create situations which lead to war or peace.

It was not until relatively recent times, however, that the organization or machinery of the Department of State became a matter of vital importance. For almost a hundred years after the creation of the Department in 1789 it was possible for the Secretary of State to carry on the necessary negotiations with foreign governments almost single-handed. Under Thomas Jefferson, the first Secretary of State, the entire personnel of the Department consisted of

four clerks, one French interpreter and two messengers.¹ Jefferson estimated his total annual expenditures at \$8,061. As late as 1862 the State Department was staffed by four officers, under the Secretary, and twenty-two clerks. The Secretary himself and the President were able to give their personal attention to almost every negotiation with a foreign power, and until well toward the end of the nineteenth century ambassadors and ministers were permitted wide latitude in interpreting and carrying out the policies of the government. When Townsend Harris went to Japan in 1856 to negotiate our first treaty with that country, he received only two general instructions from the Secretary of State, although he remained abroad for more than two years.

This situation prevailed throughout the long period of isolation which followed the War of 1812. It came to an abrupt end when the United States emerged from the Spanish-American War a world power with new international commitments and increased responsibilities in all parts of the world. The need for a well-organized and efficient permanent staff in the State Department and in the field became quickly apparent, and increased in importance as the United States became more and more concerned in world affairs.

Recognition of this need was reflected in a series of measures which culminated in the Rogers Act of May 24, 1924, for the reorganization of the Foreign Service. That attention was centered on the needs of the Foreign Service rather than on those of the State Department and the field force as a whole was largely due to the fact that the American business and commercial groups who lent their support to these measures were concerned primarily with the abuses which had affected the Foreign Service branch and which directly concerned their own interests.

With the passage of the Rogers Act it was widely assumed that the needs of the State Department had been attended to once and for all, that the introduction of

1. Hunt, *The History of the Department of State*, p. 148-49.

higher salaries and consolidation of the "merit system" had wiped out all the old abuses and that the whole machinery for the conduct of our foreign affairs had been finally placed on a sound and permanent basis. But the Foreign Service is not the Department of State and the Rogers Act did not reorganize the State Department. While the functions of each are directed to the same end, and their activities complement each other, the State Department forms a

part of the executive establishment in Washington while the Foreign Service is a separate organization created by special act of Congress. Thus the salaries paid State Department officers and employees are governed by a general act² applying uniformly to the executive departments, while the salaries and grades of Foreign Service officers are regulated by a separate and distinct law, applying solely to the Foreign Service.

THE ROGERS ACT

The importance and value of the changes brought about by the Rogers Act cannot be overestimated. Virtually up until 1906 the Diplomatic and Consular Services had been staffed by political appointees subject to little or no regulation. The abuses of the "spoils system" were notorious, and while several Presidents had attempted reforms none had been able to make them entirely effective. President Roosevelt achieved a striking victory in 1906 when he promulgated regulations by executive order, placing the administration of the Consular Service on a non-partisan basis. President Taft enforced this order and applied similar regulations to the Diplomatic Service in 1909, and in 1915 Congress finally embodied these reforms in law. But it was not until the passage of the Rogers Act in 1924 that the basis for a really effective and democratic Foreign Service was established.

The Act of May 24, 1924 embodied four major principles of reform:

1. It provided for a new and uniform salary scale with a view to eliminating the necessity for private incomes and making it possible to select candidates on the basis of ability alone.
2. It combined the Diplomatic and Consular Services into a single Foreign Service on an interchangeable basis.
3. It provided for the granting of representation allowances.
4. It provided for the adoption of a retirement and disability system as a means of maintaining a high standard of efficiency under the merit system.

Under these four main principles many specific changes and improvements in the system were brought about. The new salary scale ranged from \$1,500 (in actual practice \$2,500) to \$9,000, subject to the following percentage limitation by classes:

Class 1 (limited to	6%	of the total number of officers in the service)	\$9,000
Class 2 "	7%	" " " " " " " " " "	8,000
Class 3 "	8%	" " " " " " " " " "	7,000
Class 4 "	9%	" " " " " " " " " "	6,000
Class 5 "	10%	" " " " " " " " " "	5,000
Class 6 "	14%	" " " " " " " " " "	4,500
Class 7 (unlimited)			4,000
Class 8 "			3,500
Class 9 "			3,000
Unclassified			1,500—3,000

The Foreign Service today consists of approximately 660 career officers who are serving in either the Diplomatic or the Consular branch. Outside the career service there are 15 ambassadors and ministers, appointed by the President with the advice and consent of the Senate,³ and a clerical force of more than 1,700 employees.

2. The act of March 4, 1923, entitled *An act to provide for the classification of civilian positions within the District of Columbia and in the field services.*

3. Twenty-two of the present ambassadors and ministers have been promoted from the career service.

THE DEPARTMENT IN WASHINGTON

The Department of State in Washington was not included in the reorganization brought about by the Rogers Act. The permanent State Department staff, which numbers just under 600 officers and clerks, forms an integral part of the executive branch of the Federal Government, and as such is subject to the regulations of central agencies set up for the purpose of

handling personnel matters relating to the 500,000 civilian employees in the government service throughout the United States. Most of the personnel problems of the State Department, therefore, are shared in common with all the other executive establishments, and cannot readily be solved independently.

No less than seven separate agencies have a larger or smaller part in handling personnel matters relating to civilian employees of the government, five of which directly affect the State Department. These are:

1. The Civil Service Commission.

2. The Bureau of Efficiency, which was originally set up as a division of the Civil Service Commission, but was given an independent status by a rider on an appropriation act in 1914. Its original work was to develop and install a system of efficiency ratings for advancement and promotion of Civil Service employees. The Bureau has never been authorized by a substantive law, and has not yet succeeded in devising a satisfactory efficiency rating plan.

3. The Personnel Classification Board, created by the Classification Act of 1923, the duties of which are reviewed below.

4. The Bureau of the Budget, created under the Budget and Accounting Act of 1921, which in approving appropriation estimates of the various departments has wide powers with regard to rates of pay for individuals and the kinds of positions to be authorized.

5. The Comptroller General, who directs the auditing and checking of payments for personal services and who is authorized to hand down rulings with regard to the interpretation of legislation dealing with rates of pay and the manner of making payments.

The failure of the Government to consolidate these different independent agencies under one department responsible for all matters relating to the employment and compensation of Federal employees has created many difficulties, some of which are illustrated in the experience of the Department of State.

THE CLASSIFICATION ACT

The compensation of the State Department staff in Washington is regulated by a general law known as the Classification Act of 1923.⁴ The act contains skeleton classification and compensation plans for some three-fourths of the positions in the District of Columbia, about 45,000 in number. It sets up five services, the Professional and Scientific, the Sub-Professional, the Clerical, Administrative and Fiscal, the Custodial and the Clerical-Mechanical. In each service there are a number of grades with rates of compensation for each grade. The act provides that Grade 1 of the Professional and Scientific Service, for example, "shall include all classes of positions, the duties of which are to perform routine, advisory, administrative, or research work which is based on the established principle of a profession or science . . ."; and establishes annual rates of compensation at \$1,860, \$1,920, \$2,000, \$2,100, \$2,200, \$2,300 and \$2,400. Similarly, for each service, each of the grades is defined and a schedule of compensation is prescribed.

4. An act to provide for the classification of civilian positions in the District of Columbia and in the field services. Public No. 516—67th Congress.

The scale of salaries established by Congress in the 1923 act was as follows in the three most important services:⁵

Professional and Scientific

Grade 1	\$1,860-2,400
Grade 2	2,400-3,000
Grade 3	3,000-3,600
Grade 4	3,800-5,000
Grade 5	5,200-6,000
Grade 6	6,000-7,500
Grade 7	Special—compensation set by Congress.

Sub-Professional Service

Grade 1	\$ 900-1,260
Grade 2	1,140-1,500
Grade 3	1,320-1,680
Grade 4	1,500-1,860
Grade 5	1,680-2,040
Grade 6	1,860-2,400
Grade 7	2,100-2,700
Grade 8	2,400-3,000

Clerical, Administrative and Fiscal

Grade 1	\$1,140-1,500
Grade 2	1,320-1,680
Grade 3	1,500-1,860
Grade 4	1,680-2,040
Grade 5	1,860-2,400
Grade 6	2,100-2,700
Grade 7	2,400-3,000
Grade 8	2,700-3,300
Grade 9	3,000-3,600
Grade 10	3,300-3,900
Grade 11	3,800-5,000
Grade 12	5,200-6,000
Grade 13	6,000-7,500
Grade 14	Special—compensation set by Congress.

5. The salary steps within each grade are omitted.

THE PERSONNEL CLASSIFICATION BOARD

The Department of State, like the other executive departments, has no authority to request higher salaries for its officers than those which are established in the law, unless Congress passes a special act removing certain positions from the classified service. The only discretion which the Department has over the salaries paid is in the allocation of positions to the different grades and promotions within the grades. Under the provision of the act the head of each department is given authority to assign all positions in his department to their proper grades in the different services. These assignments are subject to review, however, by the Personnel Classification Board. This is an *ex officio* body composed of the Director of the Bureau of the Budget or an alternate from the Bureau named by the Director; a member of the Civil Service Commission or an alternate designated by the Commission; and the Chief of the Bureau of Efficiency or an alternate designated by the Commission. Since its inception the Board has been composed of alternates selected by the three agencies.

The Personnel Classification Board was given authority to administer the 1923 act. Among other things it was to prepare and publish an adequate statement showing the duties and responsibilities for each class of positions in the District of Columbia, illustrated when necessary by examples of typical tasks, stating the minimum qualifications required and establishing titles. The act itself did not describe the actual types of positions to be allocated to the several grades and classes, but contemplated a systematic and detailed list of "class specifications" to be drawn up by the Board. The Board was given power to make all necessary rules and regulations not inconsistent with the Classification Act, to approve or disallow allocations requested by the departments, to hear appeals of employees who feel they are not properly classified and to review and revise the system of efficiency ratings under which promotions or demotions may be made.

The Personnel Classification Board, however, has never effectively carried out the task assigned it by Congress and has failed to provide a new and complete list of class

specifications for the guidance of department heads in making assignments to classes under the act. The only list which has been used in the District of Columbia since 1924 is based on schedules of the Bureau of Efficiency prepared prior to the passage of the law. The schedules were rejected by Congress when the new act was passed and are inadequate in many respects. The decision not to prepare new schedules was made over the objection of the representative of the Civil Service Commission on the Personnel Classification Board, who in 1923 presented a memorandum dissenting from the decision of the majority.⁶

As a result of this decision the heads of the different departments in Washington, including the State Department, were told to make allocations of positions not to classes or even to the salary schedules contained in the Personnel Classification Act, but to the old schedules of the Bureau of Efficiency. Almost the only use of the Classification Act was to state in which of the five broad services the position was to fall.

The effect of the Board's action was to make it extremely difficult, if not impossible, for the Department of State and the other departments to get proper classification for its officers and employees. The definitions and qualifications for positions set forth in the Bureau of Efficiency lists did not fit the needs of the State Department, and the lists were not revised to cover actual jobs in the various departments. The original allocations made by the Board abounded in errors. The decision of the Board is final in all allocations, and appeals by individuals and departments are heard and decided by the Board itself.

The importance of proper allocations is brought out in a later section of this report which reviews the difficulties which the State Department has encountered in getting men of ability to fill the higher positions in the Professional Service, its inability to secure higher salaries and its failure to retain the services of many of its most valuable officers.

6. *The Work of the Personnel Classification Board*, December 1927-January 1928, issue of *The Public Business*, issued by the Better Government League.

ORGANIZATION OF THE STATE DEPARTMENT IN WASHINGTON

Before reviewing these personnel problems, however, it is necessary to summarize briefly the organization and functions of the State Department in Washington.

The Secretary of State is charged, under the direction of the President, with the duty of formulating and executing the foreign policies of the government. He is personally responsible for the administration of the State Department and the Foreign Service and is accountable only to the President, by whom he is appointed and by whom he may be removed.

The Secretary of State's chief assistants are five non-permanent officers appointed by the President, with the advice and consent of the Senate. The Undersecretary of State, usually the personal choice of the Secretary, is the first ranking officer in the Department and acts for the Secretary in matters which do not require his personal attention. He becomes the Acting Secretary of State in the absence of the Secretary. The four Assistant Secretaries of State are charged with the supervision of all matters of political, economic and commercial policy, under the direction of the Secretary, and the supervision of the Department and the Foreign Service administration. They perform such other duties as may be assigned them by the Secretary, and are classified in the Clerical, Administrative and Fiscal Service.

The work of the permanent staff of the State Department in Washington today is divided among some thirty-two divisions, bureaus and offices, which may be grouped roughly under four main heads: political and economic functions; legal functions; public service functions and administrative functions.

POLITICAL AND ECONOMIC FUNCTIONS

The political and economic functions of the Department have been greatly increased since the telegraph and radio have brought the Secretary of State within a few hours' reach of his most distant agent abroad. Today political and economic negotiations of every kind are referred to the Department for decision, and instructions are issued al-

most hourly to the American missions abroad.

When a report is received from one of the diplomatic missions, whether it calls for a decision or whether it merely contains information for the use of the Department, it is routed from the Index Bureau, where it is recorded, to one of six geographical divisions, or to the Economic Adviser or the Solicitor, or some other division which may be concerned. Additional copies may go to one of the Assistant Secretaries of State charged with general supervision over the particular division concerned, and to the other departments of the government which may be concerned.

No set procedure is followed by the Department in dealing with questions which call for a decision, or require a statement of policy. When a cable is received from China, for example, which calls for a decision and a reply, the Chief of the Far Eastern Division and the Assistant Secretary charged with general supervision of Far Eastern Affairs usually confer together on the note or the instruction to be sent out. If the matter involves a legal question, they may call in the Solicitor or one of the Assistant Solicitors. If it involves an economic question, they may confer informally with the Economic Adviser. The note or instruction is then drafted under the direction of the Assistant Secretary or the Chief of the Far Eastern Division, and is then sent to the Secretary of State for signature. All notes or instructions sent out from the Department are signed by the Secretary of State or, in case of his absence, by the Acting Secretary of State. All routine matters, as well as those of the greatest importance, pass over the desk of the Secretary.

A different procedure may be followed in matters of great importance which call for a new statement of policy. Such questions as the negotiation of a treaty or the recognition of a foreign government may be directed from the beginning by the Secretary of State himself or by the Undersecretary in conference with the Assistant Secretaries, and the chief of the geographical division directly concerned. In the draft-

ing of an important note several different divisions and offices may be called upon for opinions, advice or research work. The State Department does not maintain any separate division for research. The Solicitor's Office may be called upon to supply a list of precedents in a particular case, or the library staff which is under the Division of Publications, may be asked to supply books or documents which are required before reaching a decision.

General supervision of diplomatic and consular as well as political and economic relations is assigned to the following geographical divisions:

1. *Division of Western European Affairs:*
General supervision, under an Assistant Secretary, of relations with Austria, Belgium, Canada, Czechoslovakia, Denmark, France, Germany, Great Britain (including Northern Ireland, British Dominions beyond the Seas, India), Hungary, Irish Free State, Italy, Liberia, Morocco, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and international organizations in Europe. European possessions in the Far East in conjunction with the Division of Far Eastern Affairs.
2. *Division of Eastern European Affairs:*
General supervision, under an Assistant Secretary, of matters pertaining to Russia (including Siberia) and relations with Estonia, Finland, Latvia, Lithuania, and Poland.
3. *Division of Far Eastern Affairs:*
General supervision, under an Assistant Secretary, of relations with China and leased territories, Japan, Siam, the Far Eastern possessions of European nations (in conjunction with the Division of Western European Affairs) and Siberia (in conjunction with the Division of Eastern European Affairs). Has charge of matters pertaining to the intelligence aspects of the control of the traffic in narcotic drugs.
4. *Division of Near Eastern Affairs:*
General supervision, under an Assistant Secretary, of relations with Afghanistan, Albania, Arabia, Bulgaria, Egypt, Ethiopia, Greece, Iraq, Palestine, Persia, Rumania, Kingdom of the Serbs, Croats and Slovenes, Syria and the Lebanon, Transjordan, and Turkey.
5. *Division of Latin American Affairs:*
General supervision, under an Assistant Secretary, of relations with Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay, and Venezuela.
6. *Division of Mexican Affairs:*
General supervision, under an Assistant Secretary, of relations with Mexico.

A number of economic questions which cannot be handled by the geographic divisions, not all of which have economists assigned to them, are referred to two separate offices:

1. *Office of the Economic Adviser:*
Offers advice on general economic policy of the Department; classifies economic matters in Department and establishes and maintains relations with outside economic bureaus; handles economic cases which do not come under the supervision of the geographical divisions; drafts correspondence concerning natural resources, finance, foreign commercial policy, commercial treaties and tariffs, transportation and communications.
2. *Consular and Commercial Office:*
Reviews, Trade Reports, Trade Letters, World Trade Directory Reports and all special economic reports from American Consuls in response to special inquiries from the Bureau of Foreign and Domestic Commerce of the Department of Commerce. This office is under the supervision of an Assistant Secretary of State who is also Director of the Consular Service. The liaison officer confers with the Bureau of Foreign and Domestic Commerce in all matters pertaining to requests for information distributed by the Department of Commerce.

LEGAL FUNCTIONS

All legal questions are referred to the Solicitor of the State Department. This officer is in effect the legal authority of the government on all matters affecting the relationship of the Government of the United States to foreign governments, and is called upon to give opinions by the Secretary of State. The position of the Solicitor is somewhat anomalous by virtue of the fact that he is appointed by the Department of Justice and not by the Secretary of State. His position is similar to that of a solicitor attached to any other department in Washington. Twenty-one assistants are attached to the Office of the Solicitor.

1. *Office of the Solicitor:*
The most important duties of this office include the handling of questions of municipal, foreign and international law, diplomatic claims; questions concerning rights and privileges of American diplomatic and consular officers abroad; expatriation, extradition and extraterritoriality, and questions regarding citizenship and naturalization.
2. *Treaty Division:*
This division was created within the last few

months in order to coordinate with the work involved in drafting treaties, keeping a complete record of all treaties and all other international agreements to which the United States is a party. The duties of this division had been performed in the past by the Office of the Solicitor and the different geographic divisions.

PUBLIC SERVICE FUNCTIONS

The following divisions and bureaus perform duties which may be described as public service functions:

1. *Division of Publications:*
Editing of *Foreign Relations of the United States*, *Statutes at Large*, treaties, proclamations, Executive orders, and other publications of the Department; compilation of the session laws; custody of original laws, etc., and archives of the Department prior to August 14, 1906; correspondence relating to ascertainment of presidential electors and constitutional amendments; distribution of publications. Editing of Territorial Papers. Library of the Department. Office of the geographer.
2. *Division of Current Information:*
Preparation of news items for the press; interviews with newspaper correspondents; preparation and distribution of daily press summaries and special articles to officials of the Department, furnishing them with press bulletins, copies of texts and general information bearing upon foreign relations.
3. *Protocol Division:*
Supervision of and action on all matters involving questions of ceremonial and precedence; deals with correspondence relating to functions held under the auspices of the Government of the United States.
4. *Passport Division:*
Examines and judges applications for passports and for American citizenship; supervises passport agencies in various cities; handles correspondence regarding citizenship, passports, registration, and right to protection abroad.
5. *Visa Office:*
Is in charge of matters connected with the administration of the immigration laws in so far as they concern the Department of State and its officers abroad.
6. *Bureau of Indexes and Archives:*
Records and indexes the correspondence of the Department; custody of the archives; telegraph, telephone, and cipher communications.

ADMINISTRATIVE FUNCTIONS

The Department of State is responsible for the administration of the Foreign Service, as well as the Department itself.

Administrative functions are divided among almost a dozen divisions, bureaus and offices, which are under the direction of the Undersecretary, an Assistant Secretary who is also Budget Officer and an Administrative Assistant or executive officer. The divisions and bureaus performing administrative functions relating to the Department in Washington are:

1. *Office of the Chief Clerk and Administrative Assistant:*

General supervision of clerks and Department employees; custody of Department property; supervision and assignment of office rooms and space; handles correspondence on departmental matters; preparation and custody of efficiency records of Department; the appointment section of this office receives and has custody of applications for appointments in the departmental service and of the indorsements of applicants; has charge of officers commissioned by State Department whose appointments are subject to confirmation by the Senate; bonding of Foreign Service officers and other officers accountable to the Department for money received or expended; assists in the civil service and departmental personnel matters.

2. *Board of Review for Efficiency Ratings:*

Appointed by the Secretary of State for the purpose of assigning final ratings for employees of the State Department under the chairmanship of an Assistant Secretary of State.

3. *Budget Office:*

Is under the direct personal supervision of an Assistant Secretary of State, who is designated Budget Officer and charged with the duty of preparing estimates of appropriations for the Department and the Foreign Service and their presentation to Congress.

4. *Bureau of Accounts:*

Keeps all accounts of the Department and Foreign Service and is charged with their administrative examination; approves all accounts for transmission to the Comptroller General of the United States and prepares correspondence relating thereto; makes all financial reports and statements for administrative officers of the Department; general administrative supervision for all disbursing officers under the State Department.

5. *Disbursing Office:*

Is charged with the receipt of all funds and the payment of all accounts of the Department.

6. *Office of Coordination and Review:*

Reviews all outgoing diplomatic, consular, and other correspondence. Coordinates the correspondence of the several bureaus of the Department for consideration and initialing when necessary. Dispatches the mail and certifies

copies thereof for the records. Maintains a current ready reference file and an index of diplomatic precedents. Advises the bureaus of the Department of changes in forms of address or changes in the accepted style of correspondence.

The following divisions, bureaus and boards have charge of all administrative matters relating to the Foreign Service:

1. *Foreign Service Personnel Board:*

The Foreign Service Personnel Board, created by an Executive Order of May 24, 1924, submits to the Secretary of State the names of those Foreign Service officers who have been recommended for promotion, advancement or transfer and the names of those Department officers who have been recommended for appointment by transfer to the position of Foreign Service officer; it has authority to examine all records and data relating to the personnel of the service and shall notify any officer whose rating is below the standard required by the service. The Board is composed at the present time of three Assistant Secretaries of State and three Foreign Service officers detailed to the Department. The executive committee of the Board is composed of the three Foreign Service officers.

2. *Office of the Executive Committee of the Board:*

Has charge of all records and material relating to the personnel of the Foreign Service and keeps all efficiency records of all Foreign Service officers and employees; submits to the Foreign Service Personnel Board recommendations for the advancement, assignment and transfer of such officers; interviews applicants for the Foreign Service; maintains contacts with Foreign Service officers and employees while on visits to the United States.

3. *Division of Foreign Service Administration:*

General administration of the Foreign Service, including matters of appropriations and expenditures, rentals, equipment and supplies, organizations, instruction of diplomatic and consular officers, etc.; handles correspondence relating to the foregoing and to customs courtesies and free entry, etc., and other than commerce, the general work of consular offices such as immigration, quarantine, notarial acts, protection of the customs revenues, etc.

4. *Foreign Service Buildings Office:*

General supervision of matters relating to housing of diplomatic and consular establishments abroad, and the protection and maintenance of properties owned by the United States for such purpose. Has charge of programs of expenditures, with the approval of the Budget Officer of the Department, for the acquisition, construction, alteration, or furnishing of such properties.

INTERCHANGE OF PERSONNEL BETWEEN THE DEPARTMENT AND THE FOREIGN SERVICE

The foregoing summary shows the close relation which exists between the Department in Washington and the Foreign Service in the field. During the hearings on the Rogers bill both Foreign Service officers and State Department officials felt that there should be a certain degree of flexibility in the personnel of the two establishments. Experience had shown that it was desirable for Foreign Service officers to return to the Department at intervals in order to keep in touch with affairs in their own country and to give the Department the benefit of their first hand experience abroad. Assignments to the Department had been made in the past under an authorization in the 1915 act, but apparently no distinction had been made between assignments for consultation and advice, and assignments to what might be considered permanent positions in the Department. These would include the positions of chiefs of the important divisions. Likewise, no broad proposal for amalgamation of the two establishments on the lines of the British system had been made.⁷ When the Rogers Act was finally adopted it merely continued the provision authorizing assignment of Foreign Service officers to the Department without loss of class or salary. The assignment was limited, however, to a period of not more than three years, unless the public interest demanded further service. In this event the assignment might be extended for a period of not more than one year. The act also provided that State Department officers who had been in the Department for five consecutive years might be appointed to the Foreign Service without examination.

The second provision has been used very little. Since 1924 not more than two permanent State Department officials have been appointed to the Foreign Service. This does not include former Foreign Service officers who have resigned to become Assistant Secretaries of State (by Presidential appointment) and later returned to the Foreign Service or received appointments as ministers or ambassadors. Such transfers will be discussed in a later section.

⁷ The British Foreign Office and Foreign Service are unified, and administered as one establishment.

The first provision, on the other hand, has been used extensively, both under the Rogers Act and under the act of 1915. The practice of calling in diplomatic and consular officers to fill regular positions in Washington began during the war, when the Department was suddenly confronted by a great increase in work. New positions had to be created and filled by competent officers without delay. Few men who were qualified by training or experience could be found on short notice, except in the Foreign Service. Therefore, as the need arose, consuls and diplomats were ordered home for temporary service in the Department.

In the years immediately following the war the Department found it extremely difficult to replace these Foreign Service officers. Few men of ability were willing to enter the State Department as drafting officers at the low salaries which were offered, and funds were not available for those who might have been willing to accept appointment. Instead of being able to reduce the number of Foreign Service officers assigned to Washington the Department was forced to call in more, even though they were urgently needed in the field.

The perpetuation of this practice has had several disadvantages, some of which have been emphasized since the passage of the Rogers Act. First, the Department has been compelled to rely upon officers whose term of service is limited by law to three, or in exceptional cases to four, years. This has resulted in a very high turnover in important positions where continuity is desirable if the administration of the Department is to function smoothly. During the past fourteen years there have been no less than seven chiefs of the Latin American Division; six chiefs of the Far Eastern Division; five chiefs of the Near Eastern Division; six chiefs of the Mexican Division; seven chiefs of the Western European Division; eleven chiefs of the Eastern European Division; seven Economic Advisers, counting the former office of "Foreign Trade Adviser" and five chiefs of the Passport Division. The majority of these positions have been filled by Foreign Service officers whose tenure of office was limited. As the highest administrative officers in the Department (the Undersecretary and the four

Assistant Secretaries) are Presidential appointees, and therefore not necessarily permanent, it is all the more important that these division chiefs be at least available to the Department for more than three or four years.

NUMBER OF FOREIGN SERVICE OFFICERS IN DEPARTMENT

Since 1924 the number of Foreign Service officers assigned to the Department has ranged from fifty to sixty men. The number of State Department drafting officers on the other hand has ranged from forty to fifty. Almost without exception the geographical divisions have been composed of a majority of Foreign Service officers. On January 1, 1928, fifty-three Foreign Service officers were serving in the following divisions and bureaus:

Division of Far Eastern Affairs: four Foreign Service officers and one State Department drafting officer.

Division of Latin American Affairs: Seven Foreign Service officers, three Department officers.

Western European Affairs: six Foreign Service officers, three Department officers.

Division of Near Eastern Affairs: four Foreign Service officers, two Department officers.

Division of Mexican Affairs: three Foreign Service officers, one Department officer.

Eastern European Affairs: three Foreign Service officers, two Department officers.

The chiefs of five of these six divisions were Foreign Service officers. The position of the Chief of the Far Eastern Affairs Division was vacant, and the acting Chief was a Foreign Service officer.

Foreign Service officers were also detailed to the following administrative bureaus and divisions: Passport Division, two; Division of Foreign Service Administration, six; Visa Office, three; Foreign Service Buildings Office, one; Consular Commercial Office, five; offices of the Assistant Secretaries, three; Executive Officer of the Department, one; Chief Instructor of the Foreign Service School, one; Chairman of the Executive Committee of the Foreign Service Personnel Board, one. Foreign Service officers were serving as chiefs of four of these divisions or bureaus.

These assignments are constantly changing as the statutory limit of Foreign Service

officers is reached. On July 1, 1928, the number of Foreign Service officers in the Department was fifty-seven. On October first it was fifty-two.

INEQUALITIES IN THE TWO SALARY SCALES

The second disadvantage of assigning Foreign Service officers temporarily to positions in the Department arises from the different salary scales prevailing in the two establishments. This discrepancy was made more marked by the higher range of salaries provided in the Rogers Act.

In 1924, at the time the Rogers Act came into effect, fifty-two Foreign Service officers were serving in the Department where they were performing duties more or less comparable to the forty-three State Department officers classified in the Professional and Scientific Service, and the higher administrative officers. The Foreign Service officers were working side by side with State Department officers in each of the geographical divisions, in some of the administrative divisions, the Visa Office and other bureaus. The wide discrepancy in the salaries paid for comparable duties in the Department to Foreign Service officers and State Department officers at once became apparent. For example, the Chief of the Division of Foreign Service Administration, a State Department officer, received \$3,800 while the Assistant Chief, a Foreign Service officer, received \$4,500. In 1926, the Chief of the Division of Latin American Affairs, a State Department officer, received \$6,000 while the Assistant Chief, a Foreign Service officer, received \$7,000. In 1928, the Chief of the Division of Current Information, a State Department officer, received \$3,800 while the Assistant Chief, a Foreign Service officer, received \$6,000.

The difference in the two salary scales was further shown by the fact that on January 1, 1925 the Chief of the Western European Division, a State Department officer, received an annual salary of \$5,200 as compared with \$7,000 received by the Chiefs of the Near Eastern Division and the Latin American Division, and \$9,000 received by the Chiefs of the Mexican Division and the Eastern European Division, all Foreign Service officers. The same situation existed

in 1926-1927 and the first part of 1928. During these years Foreign Service officers were assigned as chiefs of four and sometimes five of the geographical divisions, their salaries ranging from \$6,000 to \$9,000, according to their rank in the Foreign Service. State Department officers, when occupying the same positions, received from \$5,200 to \$6,000.

The duties of the four Assistant Secretaries of State and the Undersecretary are among the most important in the Department. Until very recently, however, their salaries were placed at \$7,500 under the Classification Act of 1923. In 1927 when the Chief of the Division of Far Eastern Affairs, Mr. Nelson T. Johnson, a Foreign Service officer of Grade 2, was promoted to the position of Assistant Secretary, he was forced to accept a reduction of salary amounting to \$500 a year.

A comparison of the total salaries paid to the State Department officers in the Professional and Scientific Service and the Foreign Service officers performing similar duties in the Department from 1924 to 1928 shows a wide discrepancy which prevailed after the passage of the Rogers Act.

In 1924, forty-three State Department officers in the Professional and Scientific Service received a total salary of \$151,220 as compared with \$268,250 received by fifty-two Foreign Service officers in the Department. The average salary of these forty-three State Department officers was \$3,516; the average salary of the fifty-two Foreign Service officers in the Department was \$5,158. The following table shows the total and average salary of the groups in 1925-26-27-28:

<i>State Department Officers</i>			
<i>Year</i>	<i>No.</i>	<i>Total</i>	<i>Average</i>
1925	38	\$139,620	\$3,674
1926	47	175,400	3,731
1927	53	187,640	3,540
1928	58	225,500	3,888
<i>Foreign Service Officers</i>			
<i>Year</i>	<i>No.</i>	<i>Total</i>	<i>Average</i>
1925	60	\$304,500	\$5,075
1926	54	283,750	5,254
1927	51	277,500	5,441
1928	52	287,500	5,528

The State Department has not been able to remedy this situation, first, because the Classification Act did not provide comparable salaries and second, because it has not

been able to get the necessary appropriations for replacement of Foreign Service officers. The effectiveness of the Department's appeal for increased appropriations cannot be fairly determined, as the hearings before the Bureau of the Budget, which considers all departmental estimates before they go to Congress, are held in private and are not published, as are hearings before Congress. This procedure is described more fully in a later section of the report.

Hearings before the House Committee on Appropriations during the past few years, however, show that while the State Department has raised this question of replacing Foreign Service officers on several occasions, it has not presented a plan for selecting and appointing permanent officers. In 1924, just after the passage of the Rogers Act, Assistant Secretary Butler Wright told the committee that the Department's greatest difficulty was in securing the right kind of men as drafting officers at the salaries provided. He went on to say that in effect the Department was "robbing Peter to pay Paul" by calling in Foreign Service officers in order that the Department might function. The force in the field was being impaired and missions and consulates were calling for secretaries and consuls.⁸

No specific request for increased appropriations to be used in transferring positions held by Foreign Service officers to the Department payroll was made, however, until 1928. In the estimates for 1929 a sum of \$10,780 was authorized for replacement of four Foreign Service officers, and in the preliminary estimates for the year ending June 30, 1930 approximately \$200,000 was requested of the Budget Bureau for this purpose. This amount was not allowed, however.

During 1928 the situation was changed by the passage of an amendment to the Classification Act of 1923, known as the Welch Act, which established a new salary scale for the entire classified service. The act was intended primarily to afford temporary relief to the underpaid employees in the lower grades, but it also increased the maximum annual salaries in both the professional and administrative services from \$7,500 to \$9,000.

In amending the salary scale authorized in the Classification Act of 1923, the Welch Act added two new grades in both the Professional and Scientific Service and the Clerical, Administrative and Fiscal Service. In a number of grades it also changed the number of salary steps. These steps are omitted in the following table, which shows the range of salaries in the two principal services:

RATES OF COMPENSATION

I *Professional and Scientific Service*

Act of 1923	Welch Act
1. \$1,860-2,400	1. \$2,000-2,500
2. 2,400-3,000	2. 2,600-3,100
3. 3,000-3,600	3. 3,200-3,700
	4. 3,800-4,400
4. 3,800-5,000	5. 4,600-5,200
5. 5,200-6,000	6. 5,600-6,400
6. 6,000-7,500	7. 6,500-7,500
7. Special	8. 8,000-9,000
	9. Special

II *Clerical, Administrative and Fiscal*

1. \$1,140-1,500	1. \$1,260-1,560
2. 1,320-1,680	2. 1,440-1,740
3. 1,500-1,860	3. 1,620-1,920
4. 1,680-2,040	4. 1,800-2,100
5. 1,860-2,400	5. 2,000-2,500
6. 2,100-2,700	6. 2,300-2,800
7. 2,400-3,000	7. 2,600-3,100
8. 2,700-3,300	8. 2,900-3,400
9. 3,000-3,600	9. 3,200-3,700
10. 3,300-3,900	10. 3,500-4,000
	11. 3,800-4,400
11. 3,800-5,000	12. 4,600-5,200
12. 5,200-6,000	13. 5,600-6,400
13. 6,000-7,500	14. 6,500-7,500
14. Special	15. 8,000-9,000
	16. Special

Under the Welch Act, as interpreted by the Comptroller-General, and put into effect on July 1st, the Undersecretary of State received \$8,000 (minimum rate for CAF 15). The four Assistant Secretaries received \$9,000 (highest rate in CAF 15). This discrepancy was due to the fact that the former Undersecretary, Colonel Robert Olds, who would automatically have received the highest salary—\$9,000 in Grade 15, resigned on July 1, 1928. The new Undersecretary, Mr. J. Reuben Clark, was appointed after July 1st, and by the provisions of the Classification Act, had to come in at the lowest salary of the grade, which was \$8,000. This amount was increased to \$10,000 in the Appropriation Bill for 1930,

⁸. *Hearings before the Subcommittee of House Committee on Appropriations*, December, 1924, p. 3.

but the compensation of the Undersecretary was not permanently established by Act of Congress. It might, therefore, be again reduced in future appropriation bills.

The Chief of the Far Eastern Division, and the Economic Adviser, who formerly received \$6,000, now receive \$8,000 a year. The Chief of the Eastern European Division receives \$6,500. Although the Department requested the same classification and salary for this position as for the Chief of the Far Eastern Division, the request was denied by the Personnel Classification Board. The present Chief of the Eastern European Division, who had been a Foreign Service officer detailed to the Department, was asked to resign from the Foreign Service in order to remain as the permanent head of this Division. As he had not been on the Department payroll before the Welch Act came into effect, his compensation was not increased automatically as was that of the Chief of the Far Eastern Division, but

was subject to the approval of the Classification Board.

The Solicitor for the Department receives \$8,500. The compensation of Assistant Solicitors ranges from \$2,700 to \$7,500. The Chief of the Division of Publications now receives \$5,600. Drafting officers, excluding chiefs of divisions, receive from \$2,600 to \$5,000.

The final effect of the act as it relates to the State Department cannot be determined at the time of writing, however, for the reason that its application has resulted in such serious administrative difficulties that further drastic amendments are being made in the present session of Congress.⁹ It should be pointed out, however, that adequate salaries depend as much on the proper classification of positions as on the scale provided by law. If the Personnel Classification Board fails to place positions in their proper grades, the benefits of the law cannot be realized.

THE SYSTEM OF CLASSIFICATION

The task of building up and maintaining a strong permanent staff in the Department in Washington, particularly in the higher professional grades, has proved exceedingly difficult under the Classification Act, first, because the scale of salaries has been low and second, because responsible positions have not been allocated to the grades permitted by the law. Furthermore, officials and clerks eligible to promotion on the basis of their efficiency ratings have not been advanced because additional appropriations have not been secured.

One explanation of the State Department's inability to secure proper classifications for its important positions is to be found in the fact, already mentioned, that the Personnel Classification Board has never carried out the provisions of the law requiring detailed descriptions of each type of position. The law contemplated a survey which would show the actual positions in the different departments in the District of Columbia. As a result of this survey specifications for each "class" or type of position were to be drawn up by the Board, which was to define the duties and fix the mini-

mum qualifications. Individual positions were to be allocated to a "class" on the basis of these specifications, and the classes were to be allocated to the proper grades and services.

The schedules of the Bureau of Efficiency on the basis of which the Board has allocated positions, contain no such comprehensive "class specifications." The classes established in these schedules cover certain broad groups of positions, under which many different types are included. Grade 1 of the Professional and Scientific Service,

9. The application of the Welch Act illustrates the complications which arise as a result of the present system of handling federal personnel matters and the multiplicity of personnel agencies. The act was intended to amend the old compensation schedules by providing new rates of pay. In amending the old schedules, however, the Welch Act added two new grades in both the Professional Service and the Clerical, Administrative and Fiscal Service, and in certain grades changed the number of salary steps. The Comptroller General, in a ruling handed down on June 2, 1928, interpreted the act in such a way that employees in the lower grades, where the number of salary steps was changed, were allowed an increase of only one step, amounting to \$60 or \$100, while officers in the three higher grades were allowed to advance two entire grades, with an increase ranging from \$400 to \$2,000. Furthermore, under the Comptroller General's opinion, the administration of the act was to be carried out by the various departments themselves, without reference to the approval or disapproval of the Personnel Classification Board. The opinion was based on a strict legal construction of the wording of the Welch Act, but its application resulted in such obvious inconsistencies that protests were lodged by almost every agency concerned, and Congress was required to hold hearings on new amendments to the act.

for example, is divided into twelve classes, with the following titles:

- Junior Economic Analyst
- Junior Educationalist
- Junior Anthropologist
- Junior Scientist
- Junior Dentist
- Junior Medical Officer
- Junior Veterinarian
- Junior Engineer
- Junior Attorney
- Junior Librarian
- Junior Patent Examiner

The duties of the first group, Economic Analyst, are described in general terms: "To perform, under immediate supervision, simple and elementary professional, scientific, or technical work in the statistical, social, or economic sciences or in one or more of their applications." Typical positions in this group include: Agricultural Economist, Economic Adviser, Economist, Highway Economist, Industrial Economist, Research Economist, Sociologist, Statistical Analyst, Statistical Economist, Statistician, Tariff Economist and Social Economist. The minimum qualifications for the group are set forth as follows: "Training equivalent to that represented by graduation with a degree from an institution of recognized standing with major work in the branch or branches of science involved in the specific position or in a closely related branch or branches."

The duties and minimum qualifications for each grade of Economic Analyst are described in the same fashion, and similar specifications are set forth for each of the other eleven general classes.

It is to these general classes that all professional positions in the Department of State (and all the other departments in Washington) are allocated. In the State Department practically every professional position, with the exception of Assistant Solicitors and Librarians, is allocated to the Economic Analyst group, regardless of the nature of the duties or the requirements of the job. The chiefs of the geographical divisions, drafting officers attached to the treaty division, the protocol division or other offices, research assistants in the Division of Publications, officers who review the diplomatic correspondence, the geographer,

and all other officers who are not engaged in legal work or in the library, are placed in this one group. Obviously, the actual duties of the geographer for the Department differ completely from the duties of the Chief of the Division of Far Eastern Affairs; the duties of a research assistant differ from those of an officer in the Protocol Division and all four differ from the duties of an officer who reviews the diplomatic correspondence of the Mexican Division. Yet under the system employed by the Personnel Classification Board, all of these positions are regarded as falling in one group in which uniform specifications and qualifications apply.

The most serious difficulty which has arisen from the application of this system by the Board relates to the Board's description of minimum requirements. Despite the fact that the necessary requirements (i. e., the education, experience, technical training and knowledge required) of a research worker in the archives differ from those of a geographer, the Board has attempted to apply similar requirements for any number of different positions within the group called Economic Analyst. In no case do these requirements exactly fit the particular job which the Board is asked to approve and classify. The result is that the professional standards of the Department cannot be maintained at the high level which should prevail.

One illustration of the effect of the Board's requirements with respect to the State Department may be cited. The editing of the annual volume of diplomatic correspondence of the United States, published by the Department under the title *Foreign Relations*, is under the direction of the Chief of the Division of Publications. It is essential that the chief of this division be a trained historian with a profound knowledge of diplomatic history, and that his research and editorial assistants who work in the archives and select and prepare the diplomatic correspondence for publication should be research scholars of marked academic ability. The class specifications of the Personnel Board, however, do not list any group of positions which fit the particular needs of the State Department. The requirements of the Editor group do

not meet the special requirements of this position. This group is placed in the Clerical, Administrative and Fiscal Service, between Grades 7 and 10. The requirements for an Assistant Editor or Associate Editor are merely a high school education or equivalent practical training while those for the highest classification, Senior Editor, specify general collegiate education or equivalent practical training.

These requirements make it exceedingly difficult for the State Department to get the type of person it requires for the editing of *Foreign Relations* and important state papers. As the highest editorial position was in Grade 10, with a range of salary from \$3,300 to \$3,900 under the 1923 act, the Department was unable to offer competent scholars positions in the lower grades.

A similar situation exists in other professional positions of great importance. Furthermore, in making allocations, the Personnel Board has had to rely on the reports of investigators, loaned by the Bureau of Efficiency or the Civil Service Commission, who frequently passed upon positions in a higher grade than they themselves occupied.

In 1924, shortly after the Classification Act came into effect, the State Department personnel was graded and classified approximately as follows:

PROFESSIONAL AND SCIENTIFIC SERVICE

Grade	No.	Salary
7	None	Special
6	None	—
5	6	\$5,200
4	13	3,800-4,400
3	15	3,000-3,500
2	3	2,400-3,000
1	2	1,860

CLERICAL, ADMINISTRATIVE AND FISCAL SERVICE

Grade	No.	Salary
14	1	\$15,000
13	3	7,500
12	None	—
11	9	3,800-4,600
10	3	3,300-3,500
9	8	3,000-3,500
8	6	2,800-3,000
7	10	2,400-3,000
6	13	2,100-2,700
5	425	1,140-2,400

and below

SUB-PROFESSIONAL SERVICE

Grade	No.	Salary
8	None	—
7	None	—
6	None	—
5	None	—
4	2	\$1,860
3	None	—
2	1	1,260
1	None	—

From the above table it is seen that when the act came into effect no positions in the State Department were allocated to the two highest grades in the Professional and Scientific Service. (Assignment to Grade 7, the highest grade, is only made in cases where Congress authorizes a salary of more than \$7,500 for a special position. The same is true of the highest grade in the Clerical, Administrative, and Fiscal Service. The salary of the Secretary of State, who was classified in Grade 14, was established at \$15,000 by Congress. The Undersecretary and the four Assistant Secretaries were classified in Grade 14 of the Clerical, Administrative and Fiscal Service and their salaries were set at \$7,500.) The highest classification in the Professional Service was Grade 5. Six positions were allocated in this grade at the minimum rate of \$5,200. One was the Chief of the Western European Division, who is charged with the general supervision of all political and economic relations with European countries. Another was the Economic Adviser and four were the Senior Assistants to the Solicitor.

The classification of Assistant Solicitors was particularly low. Four were classified in Grade 2 at \$2,400, eight were classified in Grade 3 with salaries ranging from \$3,000 to \$3,500, and the remainder were classified in Grade 4 with the highest salary \$4,400. The duties of these legal officers are of the greatest importance and require expert knowledge of municipal and international law. The discrepancy between these salaries and those customary in private law firms is very great. One of the Assistant Solicitors in the State Department in testifying before the House Civil Service Committee on the Welch bill for the salary increase of certain Civil Service employees¹⁰ said that if the present situation continued the able men would abandon the service, leaving be-

¹⁰ Hearing before the Committee on the Civil Service, House of Representatives, H. R. 6518, 1928, p. 102.

hind men of less energy and ability, with the result that the government legal service would be staffed by more or less inefficient persons. This officer stated that four State Department attorneys had resigned during the past year. One, who was receiving a salary of \$3,000, was offered a position as professor of international law at a large university, and another went to an admiralty law office in New York at a substantial increase in salary.

The highest classification in the Clerical, Administrative and Fiscal Service, not including the Secretary of State, the Undersecretary and the four Assistant Secretaries, was Grade 11 at the time the 1923 act came into effect. Promotions and reallocations have, of course, been made since that time.

The classification of positions in the State Department just before and after the Welch Act came into effect is shown in the following table:

PROFESSIONAL AND SCIENTIFIC SERVICE

June 30, 1928 Original Statute				July 1, 1928 Welch Act			
Grade	Number of Positions	Average Salary Paid	Average Allowed by Law	Grade	Number of Positions	Average Salary Paid	Average Allowed by Law
1	11	\$1,891	\$2,100	1	11	\$2,072	\$2,200
2	9	2,489	2,700	2	9	2,733	2,800
3	17	3,176	3,300	3	17	3,388	3,400
4	10	4,160	4,400	5	10	4,720	4,800
5	8	5,500	5,600	7	8	6,875	7,000
6	2	6,000	6,750	8	2	8,000	8,500

CLERICAL, ADMINISTRATIVE AND FISCAL SERVICE

1	21	\$1,226	\$1,320	1	21	\$1,371	\$1,410
2	81	1,352	1,500	2	87	1,535	1,590
3	134	1,568	1,680	3	145	1,688	1,770
4	67	1,758	1,860	4	72	2,049	1,950
5	66	1,970	2,100	5	69	2,170	2,250
6	12	2,226	2,400	6	12	2,500	2,550
7	15	2,580	2,700	7	15	2,806	2,850
8	1	3,300	3,000	8	2	3,150	3,150
9	11	3,116	3,300	9	9	3,300	3,450
10	3	3,567	3,600	10	4	3,675	3,750
11	8	4,200	4,400	12	9	4,755	4,900
12	1	5,600	5,600	13	1	6,000	6,000
13	None	....	....	14	None	....	....
14	5	7,500	....	15	5	8,800	....
14*	1	15,000	....	16*	1	15,000	....

*The salary of the Secretary of State is set by Congress at \$15,000 per annum.

SYSTEM OF APPOINTMENTS

Because of the small size of its staff, which consists of less than sixty professional officers and fifty administrative officers in addition to the clerical and accounting force, the State Department has not adopted a system of selection comparable to that used in the Foreign Service.

Foreign Service candidates have been required to take competitive examinations since 1906. Under the provisions of an Executive Order of June 7, 1924,¹¹ carrying out the provisions of the Rogers Act,

rules for examination of candidates are formulated by a Board of Examiners composed of three Assistant Secretaries of State, the chairman of the Executive Committee of the Foreign Service Personnel Board, and the Chief Examiner of the Civil Service Commission. Both written and oral examinations are required. The written examinations are prepared by the Civil Service Commission and approved by the Board of Examiners. At the present time they consist of the following subjects with relative weights based on a scale of nineteen:

<i>Subjects</i>	<i>Weights</i>
1. International, maritime and commercial law	3
2. Arithmetic	2
3. Modern languages (French, German or Spanish)	1
4. Natural, industrial and commercial resources of the United States	4
5. Political economy	2
6. Political and commercial geography	3
7. American history, government and institutions	2
8. Modern history (since 1850) of Europe, Latin America, and the Far East	2
Total	19

The written examination consists for the most part of specific questions intended to test the knowledge, rather than merely the capacity, of candidates. Incidentally, this has had the effect of encouraging candidates to prepare at tutoring schools which specialize in Foreign Service examinations. Under the present regulations the written portion of the examination is held at the offices of the Civil Service district secretaries in Atlanta, Boston, Chicago, Cincinnati, Denver, New Orleans, New York, Philadelphia, St. Paul, St. Louis, San Francisco, Seattle and Washington. A majority of candidates have taken the examination in Washington, however, and a large number of those accepted for appointment have prepared at tutoring schools.

The grades made by candidates in the written tests are communicated to them and they are informed of the date on which they may appear in Washington to complete the examination by taking the oral tests and a physical examination. While every candidate is entitled to take the oral examination those who have not received passing grades in the written tests are not en-

couraged to appear for the orals. The Board of Examiners conducts the oral examination at the Department of State. In general the Board attempts to determine the capacity and fitness of candidates for duty in the Foreign Service.

Appointments are made from the eligible list of those who have passed the examination as vacancies occur in the Service. Following appointment, the new officers are assigned to the Department for a period of several months where they undergo a special course of training in the Foreign Service School, established by the Executive Order of June 7, 1924. Lectures are given by Department officers and Foreign Service officers and the members of each new group are assigned for short periods to the different divisions in the Department in order that they may familiarize themselves with its work. New appointees are placed in the unclassified grade.

The State Department has developed no comparable system for recruiting promising material. The lower grades, the clerical and routine accounting positions, are filled from Civil Service lists after competitive examination. But the requirements for

¹¹. As amended by Executive Order of February 25, 1928 and Departmental Order of same date.

these minor positions are not exacting and very few successful candidates have the necessary qualifications or the education to fit them for the higher professional positions. Those with exceptional ability have had and always should have an opportunity to advance to the higher ranks, but the professional service cannot depend entirely upon the clerical force for its best material.

Appointments to higher professional positions in the Department may be made without any examination. This is possible under Civil Service rules, which except certain types of positions. The Civil Service Commission has approved two lists of "excepted" positions, one known as "Schedule A," which includes positions which may be filled without any examination and the other known as "Schedule B" which includes positions which may be filled after a non-competitive examination.

The State Department has been allowed two general exceptions under "Schedule A": "officers to aid in important drafting," and assistant solicitors. Both may be appointed without any examination. Assistant solicitors serving in several of the other departments are likewise exempted from examination, apparently because it is difficult to secure legal specialists from the Civil Service lists. No exception comparable to the drafting officers in the Department of State exists, however, in the other departments. The definition of a drafting officer has remained extremely vague. He may be the chief of an important geographical division, or he may be a young subordinate officer in any of the political or economic sections of the Department.

The State Department has not regarded the use of competitive civil service examinations practicable for appointment of drafting officers because of the small number of positions which are open at any one time, and because of the special qualifications required.

Relatively few appointments to the professional grades and the higher administrative grades have been made during the past few years. The majority of these have been necessitated by resignations. In the higher professional positions, practically all of the appointments have been made under "Schedule A" without any examination by

the Civil Service Commission. Since July 1, 1924, the Department has appointed twenty-nine drafting officers (five by promotion from clerical grades) and three Assistant Solicitors. Some of the drafting officers have been assigned to the Solicitor and are serving in his office as Assistant Solicitors. These appointments may be made on the recommendation of a chief of division with the approval of the Undersecretary and usually one or more of the Assistant Secretaries.

While the Civil Service Commission has acquiesced in the exemption of drafting officers from competitive examinations, it has not done so without protest. The commission recognizes that exceptions are often legitimate and that in individual cases they may not be able to provide a qualified list of candidates. It maintains, however, that most of the drafting officers in the Department of State could be supplied by competitive examination. The commission called this matter to the attention of the Secretary of State more than two years ago, but has never received an official reply from the Department. A check up of "excepted" positions permitted other executive departments reveals no such general exceptions or exemptions.

The higher professional positions in the Bureau of Foreign and Domestic Commerce, for example, are filled by non-competitive examination. When the director of the bureau wishes to fill a vacancy in the higher professional grades, he sends to the Civil Service Commission full information as to the nature of the job and the qualifications and training required of the candidate or candidates. If the director names only one candidate, and if his qualifications are satisfactory, the Civil Service Commission authorizes the appointment; if there is more than one candidate, an oral examination may be held by the commission in cooperation with the Bureau of Foreign and Domestic Commerce. A committee composed of a representative of the commission, a representative of the bureau and two or three outstanding authorities examines the candidates and recommends those that qualify.

In regard to the exemption of solicitors, several other departments have placed their

attorneys under the Civil Service. For example, the attorneys in the Prohibition Service of the Treasury and the Interstate Commerce Commission are now subject to competitive examinations. These departments are apparently satisfied with the candidates who have applied.

Not all of the higher professional positions in the State Department have been filled by drafting officers exempted from Civil Service examinations. During the first ten months of 1928, six new appointments were made in the Professional and Scientific Service; three of these were appointed after competitive examination, and three were appointed without examination.

During the past year the Department has sent the Civil Service Commission a detailed description of each drafting officer position to be filled and the qualifications of the appointee. This is in effect the procedure followed by some of the other departments for appointments under "Schedule B."

The present system of appointments does not effectively provide for selection of young officers qualified for the higher grades. Although the State Department attempted to introduce a competitive examination for "Junior State Department Officers" in 1928, it has not actually appointed more than one officer under this plan. The examina-

tion was intended to establish a register of persons especially qualified for the work of the Department in general, and for the following activities in particular:

1. To engage in a study of problems involving political, economic, and legal questions.
2. To prepare a memorandum embodying the results of these studies for the use of the officers in the Department and for the permanent records.
3. To prepare for the signature of competent officers of the Department correspondence relating to the foregoing questions.

The entrance grade of Junior State Department Officers was to correspond to Grade 1, the lowest grade in the Professional and Scientific Service. It was proposed that these Junior Officers be advanced to the higher professional grades when vacancies occurred and as their efficiency ratings warrant.

On January 27, 1928 the Civil Service Commission published an announcement for competitive examination for Junior State Department Officers. Candidates were required to be under thirty years of age and graduates of a college or university of recognized standing. Senior students of such institutions, however, were permitted to take the examination, but could not be appointed until after their graduation. The requirements called for a written and an oral examination covering four subjects, with the following weights:

<i>Subject</i>	<i>Weights</i>
1. American history	30
2. Diplomatic history	15
3. Elementary international law, economics, finance, commercial geography and statistics	25
4. English composition	30
Total	100

The examination provided for optional language tests.

The written examination could be taken in any city named on the Civil Service list. Competitors attaining an eligible average on the written examination may be required to report for an oral examination to be held at points as convenient for the candidate as conditions permit. The purpose of the oral examination was to determine the applicants' personal characteristics, adaptability, keenness and quickness of understanding, observation, judgment and discretion. A competitor who failed to pass

the oral test, which was an essential part of the examination, would not be eligible for appointment.

The first examination was held in May, 1928. Two hundred and thirty-two applications were received by the Civil Service Commission and 156 candidates were examined, of whom 108 passed. Due to the fact that the State Department was without sufficient funds for employing new officers, only one was appointed. The entrance salary for Junior State Department Officers was set at \$1,860 a year.

PROMOTIONS

State Department officers and employees in the classified service may be advanced in two ways; they may be promoted, i. e., their salaries may be increased within the limits of their existing grade, or they may be raised to a higher grade which involves more responsible duties and calls for reclassification.

Under Civil Service rules promotion is based on the merit principle. The task of determining the relative efficiency of thousands of employees in the classified service, however, has proved extremely difficult and the uniform system worked out by the Bureau of Efficiency and the Personnel Classification Board has apparently been far from satisfactory. The difficulty arises from the fact that all employees in the same grade, for example, Grade 4 of the Clerical Service, are regarded as forming a single "competitive group" for promotion purposes—although the hundred or more clerks in this grade may be distributed among twenty bureaus or divisions in the State Department where they are marked for efficiency by twenty different rating and reviewing officers, usually chiefs of these divisions or bureaus. It is obvious that the ratings given by one reviewing officer for Grade 4 clerks directly under his supervision may not correspond with those given by another reviewing officer in another division for the same degree of efficiency. The chief of each division can only determine the relative efficiency of the clerks or assistants who are directly under his supervision. He has no basis for comparing their work with that of other clerks in the same grade in another division. In fact the actual duties even of the clerks in a single grade or "competitive group" may vary greatly in the different bureaus and offices. And in the professional grades there are scarcely two officers who are performing precisely the same duties.

The ratings are prepared once a year on the basis of a uniform "graphic rating scale" devised by the Bureau of Efficiency. This scale contains fifteen "service elements," a certain number of which apply to each grade of employee. One element considers "accuracy; ability to produce

work free from error; ability to detect errors." Another element considers "initiative; resourcefulness—"; another "organizing ability," etc. The rating officer is required to mark each element on a scale ranging, in case of the "accuracy" element, from "highest possible accuracy" through "careful" to "practically worthless."

These rating sheets are submitted to a Board of Review composed of an Assistant Secretary of State, the Executive Officer of the Department, the Chief Clerk, and two other officers. The Board is required to adjust the ratings received from each reviewing officer to the end that they may properly reflect the relative efficiency of the employees in each "competitive group," i. e., each grade. In other words the Board of Review must reduce the ratings of Grade 4 clerks in the twenty different divisions to a common denominator. This can only be done by establishing an arbitrary "average" efficiency, and by raising or lowering all the ratings of each division so that the "average" in each case corresponds. The Bureau of Efficiency has devised a mathematical formula for achieving this basis of comparison. The experience of the State Department would seem to show that it cannot reflect the actual individual efficiency of employees, and does not afford a satisfactory basis for promotion. During the hearings on a new compensation bill to amend the Welch Act, the suggestion was made that all federal employees be guaranteed a small increase each year if their work were satisfactory.

While eligibility for promotion is established on the basis of the final efficiency ratings, actual promotion cannot be made unless funds are available to cover salary increases. During the past four or five years the State Department has not been able to secure the necessary appropriations to advance officers and employees who were entitled to promotion. The total annual increase permitted by appropriations in 1927 was \$8,380, divided among ninety-six officers and employees—an average increase of approximately \$87 for each person promoted. The average increase for nineteen officers who were promoted in the Professional and

Scientific Service was approximately \$158; the average increase for sixty-eight employees in the Clerical, Administrative and Fiscal Service was about \$70. The total annual increase permitted in 1926 was \$14,600, distributed among 212 officers and employees; in 1925 it was \$12,680, distributed among 108 employees, and in 1924 it was \$18,260, distributed among 118 employees. In each of these years at least twice as many employees were eligible to promotion.

In considering salary appropriations for the various departments Congress has adopted a rule that the average salary of all the employees in any one grade shall not exceed the average for that grade permitted by the law. It will be recalled that there are a number of salary steps in each grade. For example, Grade 4 of the Professional and Scientific Service provides for seven steps, with compensation as follows: \$3,800, \$4,000, \$4,200, \$4,400, \$4,600, \$4,800, \$5,000. The average for this grade is \$4,500. The rule was intended to prevent all employees in one grade from being placed in the highest salary group. When there are very few employees in one grade this rule often works to prevent the departments from paying the maximum salary. In the State Department there are only two officers in the highest grade of the Professional Service at the present time: the Chief of the Far Eastern Division and the Economic Adviser.

Under the rule both of these may not be promoted to the highest salary step even though they may deserve promotion. If one is placed in the highest group the other would be required to go into the lowest group, to maintain the average provision.

The situation in the Department as a whole was brought out in the hearings before the Appropriation Committee in 1927¹² when Assistant Secretary Carr testified that 503 out of 632 employees in the State Department, or 79 per cent, were receiving salaries below the average compensation for their grades. The result, he said, was an unsatisfactory morale and a large turnover in personnel.

In 1928 it would have required \$67,690 to raise to the average of the grade the compensation of those employees receiving less than the average. The Department, however, was permitted to ask for only \$20,000 by the Bureau of the Budget. This amount would make it possible to raise one step half the number of employees receiving less than the average salary for their grade.

In January 1928 the average salary paid in each grade of the Professional and Scientific Service and each grade of the Clerical, Administrative and Fiscal Service, without exception, was below the average allowed by the rule. In most of the grades the average compensation of State Department employees was below the average of other executive departments in Washington.

RECLASSIFICATION OF PERSONNEL

The second method of advancing officers and employees is by reallocation in a higher grade. Reclassification of positions may be made at the request of the Department. All applications are received by the Personnel Classification Board and investigated by a special agent of the Board. During the past four years the State Department has requested and received a number of reclassifications. Seventy-six classifications were approved in 1924, sixty-six in the Clerical, Administrative, and Fiscal Service, and nine in the Professional and Scientific Service. The total yearly increase was \$15,500. In 1925 ninety-three reclassifications were approved, of which twelve were in the Professional and Scientific Service. In 1926 eighty-seven reclassifications were approved

with eight in the Professional and Scientific Service, and in 1927 forty-nine were approved, four of which were in the Professional and Scientific Service.

During 1928, however, a study was made of the classification of positions in the Department and a number of flagrant cases of under-classification were reported by the Executive Officer. Because of inadequate appropriations the Department frequently did not request the proper classification of positions which it felt warranted higher salary grades. The result was that a number of employees in the Department were doing a higher grade of work at a lower salary than that to which they were entitled. In

¹² *Hearings before the subcommittee of the House Committee on Appropriations—Appropriations for the Department of State, 1929, p. 43.*

recent years it has been customary to defray the expenses of the few reclassifications which have been possible from small sums which were saved from resignations and transfers. Until very recently the State Department maintained, apparently without any justification, that it was not in a position to send over requests for relocations in any great amount unless there was some prospect of having funds to pay the increased salaries. In holding up relocations, however, the Department faced the possibility of having its employees appeal to the Personnel Classification Board over its head. The effect on the morale of the Department and its general efficiency as a result of this situation is obvious, and during 1928 the Department requested sufficient appropriations to cover necessary relocations. These appropriations, requested in a supplemental bill for 1929, were disallowed by the Bureau of the Budget.

The effect of the Department's failure to secure proper reallocations and its failure to secure adequate appropriations for promotions is reflected in part in the large number of resignations.

**STATEMENT OF RESIGNATIONS IN
DEPARTMENT OF STATE FOR
THE FISCAL YEAR 1927**

<i>Service Grade</i>	<i>Number</i>	<i>Per Cent of Resignations in Grade*</i>
P&S—Grade 6	1	50%
Grade 5	1	12½%
Grade 3	2	9%
Grade 1	2	40%
SP—Grade 5	1	100%
Grade 4	2	100%
Grade 3	2	100%
Grade 2	1	100%
CAF—Grade 8	1	100%
Grade 6	1	8%
Grade 5	6	9%
Grade 4	7	10%
Grade 3	24	16%
Grade 2	48	47%
Grade 1	24	100%
Total Number 138		23%

*NOTE: The percentages listed are based on the number of persons in each grade in May 1928.

This condition has existed for a number of years. The percentage of resignations throughout the Department as a whole has varied from 20 to 25 per cent in practically every year since 1920. The turnover in the higher positions which are charged with the direction of policy and the administration of the Department has been even

greater, and the effect more serious, because of the fact that Foreign Service officers detailed to the Department are required to return to the field, under the provisions of the Rogers Act, within four years.

A comparison of the personnel in these important positions in 1924 and in 1928 reveals a startling turnover. On January 1, 1924 the higher positions were filled by sixty Foreign Service officers detailed to the Department and fifty State Department officers receiving \$3,000 or more—a total of 110 officers. On January 1, 1928 four years later, not more than thirty of these officers were still serving in the Department. Twenty-three of the fifty State Department officers had resigned, or had left the Department to enter another branch of the government service, and practically all of the sixty Foreign Service officers had been required to return to the field. The turnover in these important positions during the four-year period between 1924 and 1928 was, therefore, approximately 73 per cent.

The twenty-three State Department officers who had resigned or left the Department between 1924 and 1928 included:

The Undersecretary,
Three Assistant Secretaries,
The Solicitor for the Department of State,
The Chief of the Division of Publications,
The Chief of the Division of Far Eastern Affairs,
The Assistant Chief of the Division of Far Eastern Affairs,
The Chief Clerk,
Fourteen drafting officers, including five Assistant Solicitors.

The sixty Foreign Service officers who were required to return to the field or who resigned from the service, held the following positions in 1924: Chief of the Latin American Division (later promoted to Assistant Secretary of State), the Assistant Chief and six officers in this division; the Chief of the Near Eastern Division, the Assistant Chief and three officers; the Chief of the Eastern European Division, the Assistant Chief and two officers; the Chief of the Mexican Division and two officers; the Chief of the Visa Office and the Assistant Chief; Assistant Chief of the Consular Bureau (now the Division of Foreign Service

Administration) and nine officers; the remainder were serving in other divisions and bureaus of the Department.

The positions vacated by these Foreign Service officers have been filled almost entirely by new men called in from the field who will likewise be required to leave the

Department within four years. The positions left vacant by the resignation of State Department officers have been filled either by promotion, by transfer of Foreign Service officers or by new appointments. A majority of the new appointments have been made without examination.

THE NEED FOR ADDITIONAL APPROPRIATIONS

During the past ten years the duties of the Department of State have increased enormously. The effect of America's new position in world affairs has been felt in practically every division of the State Department, where the volume of work has

almost doubled since before the war. The following table, showing the increase in the correspondence handled by the Department between 1916-1917 and 1926-1927, indicates in a general way the extent to which the work of the Department has increased:

<i>Fiscal Year</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Unrecorded</i>	<i>Passport</i>	<i>Total</i>
1916-1917	157,686	110,304	288,429		556,419
1917-1918	210,793	147,117	385,542		743,452
1918-1919	232,973	163,130	472,250		868,353
1919-1920	209,055	141,751	389,369		740,195
1920-1921	200,369	124,522	361,214		686,105
1921-1922	228,918	129,349	454,385	129,568*	942,220
1922-1923	266,275	122,670	450,855	124,678*	964,478
1923-1924	248,428	120,892	486,615	144,385*	1,000,320
1924-1925	360,556	156,317	434,630	98,354*	1,034,901
1925-1926	466,365	166,689	463,041		1,096,365
1926-1927	496,613	179,547	504,705		1,180,865

*Figures furnished by Passport Division. Records of that Division turned over to the Index Bureau on April 1, 1925.

This increase in work has not been accompanied by an increase in appropriations sufficient to permit the Department to meet its growing needs. In 1920 the appropriations for the Department of State in Washington were approximately \$1,334,000. For the current year, 1929, they are approximately \$1,464,000. During the same period the appropriations for the Foreign Service have actually decreased from \$10,578,000 to \$9,396,000.¹³

According to the Department, these appropriations have not been sufficient to enable it to function as it should. As already shown, the Department has been handicapped in building up a strong permanent staff; it has not been able to make the number of new appointments that were considered necessary; it has not been able to provide for promotions and reallocations of its employees to bring the salaries up to the average permitted by the law, and it has not been able to replace Foreign Service officers in the Department.

In addition to the question of personnel, the Department claims to have been unable to meet many other pressing needs, both in Washington and in the field. Among the more important needs, the following may be mentioned.

TREATY DIVISION

The Department has found it exceedingly difficult to create new divisions or bureaus in Washington, when needed, or to enlarge already existing divisions. For example, until 1928 the State Department had not been able, with its existing personnel, to give adequate attention to concluding new commercial treaties for a number of years. Only five such treaties were concluded between 1922 and 1928, despite the fact that new treaties were urgently required to meet new conditions. Of twenty-six commercial treaties to which the United States was a party at the close of the war, twenty were concluded prior to 1885 and some of these prior to 1850. At the present time the United States has no commercial treaties

¹³. Cf. Appendix for complete statement of appropriations for the Department of State, 1919 to 1929.

with a number of important countries, including the new countries which owe their existence to the war settlement.

The treaty work of the Department had been divided for a number of years among several divisions and bureaus, principally the Office of the Solicitor, the Office of the Economic Adviser and the different geographical divisions. This decentralization had resulted in some confusion which had made it almost impossible for the Department even to keep up to date lists of all treaties and other international agreements between the United States and foreign countries.

Inadequate appropriations, however, had made it difficult for the Department to reorganize its treaty work. During 1928 an effort was finally made to organize a Treaty Division which would bring together in one office the work which had formerly been handled in half a dozen divisions and bureaus. It was proposed that this division should be responsible for the drafting of treaties and conventions, collecting complete sets of all treaties in force to which the United States was a party, maintaining up to date lists of all treaties, collecting and keeping in available form information regarding the application and status of treaties, etc.

Because appropriations were not available for additional officers in the Department at the time this division was created, the staff was composed entirely of officers transferred from other bureaus of the Department. The Chief of the Division and one law officer were transferred from the Solicitor's Office; the Assistant Chief was transferred from the Office of the Economic Adviser. A drafting officer was transferred

from the office of one of the Assistant Secretaries. One archivist was transferred from the Division of Publications and the other from the Consular Commercial Office. While these officers had been devoting a part of their time to treaty work before the creation of the new division, they had also performed other duties. The Department was not able, however, to replace the positions in the other divisions and bureaus from which these officers had been removed.

The Department was forced to follow the same procedure in creating the Protocol Division, which was established in 1928 to deal with all matters of ceremony and precedence. This work had formerly been scattered among a number of divisions and bureaus.

Many of the other divisions have been undermanned for several years, and have been barely able to keep abreast of current work. In order to carry on, many of these divisions and bureaus have been required to work overtime, although the officers and employees receive no additional compensation for this extra work. The Division of Far Eastern Affairs, which deals with all political and economic questions relating to China, Japan, Siam and the Far Eastern possessions of European nations, has had only four officers and three clerks. The staff of the Division of Western European Affairs has been composed of nine officers and six clerks. The Division of Latin American Affairs has been staffed by ten officers and five clerks. The Division of Near Eastern Affairs has had six officers and five clerks. The Division of Mexican Affairs has had four officers and four clerks; the Division of Eastern European Affairs five officers and four clerks.

THE OFFICE OF THE SOLICITOR

The Office of the Solicitor, which handles all questions of international law, all claims and other legal matters, has had from twenty-one to twenty-five legal assistants. This staff has not been sufficient to permit the State Department to supervise the handling of cases before international commissions in which the United States was concerned. In all such cases, the government has been forced to hire special counsel at relatively large salaries. At the present

time the United States is represented by special counsel on a number of international claims commissions and boundary commissions. The salaries of American commissioners on the two Claims Commissions, United States and Mexico; the International Boundary Commission, United States and Mexico; the International Joint Commission, United States and Canada; the German-American Mixed Claims Commission, and similar bodies, range from \$7,500 a year

to \$12,000. The salary of the Solicitor for the State Department, on the other hand, was \$7,000 until the passage of the Welch Act and is now only \$9,000. These special counsel have often had to prepare cases with which they were not familiar, but which the State Department had been following for years. Duplication of work, and even annoying inconsistencies, have resulted.

Referring to the work now being handled by special counsel in these and other joint legal bodies, the Solicitor for the State Department stated last year that if only half a dozen additional attorneys had been on the

Solicitor's staff of the State Department during the war, this special work would have been handled and there would have been no occasion to hire special counsel.¹⁴ The Solicitor for the State Department has urged an increase in his present staff, and the creation of a division of international law which would permit the Department to handle a number of international claims, as well as other inter-governmental cases and obviate the need of hiring special government counsel. This suggestion has not been carried out largely because funds have not been available.

STATE DEPARTMENT PUBLICATIONS

During the past few years the State Department has been subjected to some criticism from students and teachers for its failure to bring the publications of *Foreign Relations* up to date. Although small sums have been provided for speeding up the editing of the diplomatic correspondence, the present staff, which is under the Division of Publications, is more than ten years behind in this work. At the present time it is estimated that twenty-seven volumes of 1,000 pages each will have to be issued to complete the publication of diplomatic correspondence down to and including 1927. The last regular volume was for 1917. The voluminous war correspondence is being published in separate volumes, two of which—1914 and 1915—have been issued within the past year. Seven volumes, including war correspondence, are now in various stages of preparation.

The importance which teachers and others attach to the publications of the Department was emphasized last year. In April 1928, at the third Conference of Teachers of International Law, meeting in Washington, a resolution was passed requesting the Department of State to undertake an enlarged program of publications designed to supply more adequate information to teachers of international law and American organizations interested in foreign relations.

The teachers of international law expressed an urgent desire for information and knowledge of what the United States is doing in international matters. On the ground that the existing publications in the

Department of State and Congress fail to adequately give this information or meet these needs, the conference felt that the following requests should be made to the State Department:

1. That the press releases of the Department which are only mimeographed be printed, published serially and distributed
2. That serial publications be issued in pamphlet form of diplomatic correspondence, official reports of American delegates to international conferences, and that there be as liberal a publication of such official documents as is consistent with the public interests.
3. That the publication known as *Foreign Relations* be brought up to date as rapidly as possible.
4. That the cases and counter cases and the oral arguments of all arbitrations to which the United States has been a party since 1910 be published by the State Department.
5. That appointments made under treaties to which the United States is a party be published.
6. That treaties, conventions, etc., be published by the State Department in an exhaustive and authentic edition.
7. That the personnel of the Division of Publications in the State Department be expanded to meet these requests for information on our international relations, and that adequate facilities and appropriations be supplied for this purpose.¹⁵

The Conference appointed a committee to confer with the President, and the Secretary of State concerning the enlargement and scope of the publications of the Department. This action was strongly endorsed by the Society of International Law.

¹⁴. *United States Daily*, May 11, 1928.

¹⁵. Third Conference of Teachers of International Law. Washington, *Proceedings*, p. 154-5.

OPERATION OF THE FOREIGN SERVICE

The failure to receive adequate funds for these and other important functions has seriously embarrassed the operation of the Department and the Foreign Service. The Department has frequently been unable to recall or transfer Foreign Service officers, for example, even when the need was urgent, because it had not the funds for paying the transportation bills. It has been unable to replace non-career officers who are in charge of consulates with regularly commissioned Foreign Service officers because it did not have the necessary money to admit new Foreign Service officers. In 1928 no less than thirty-one American consulates were in charge of clerks who had been commissioned as vice-consuls.¹⁶ Fifty-four American consular offices had no vice-consuls to assist the officer in charge. Thirteen consular offices were in charge of junior career vice-consuls. Two offices were closed during the year for lack of available personnel and the depletion of the appropriation for transportation. The effect on the efficiency and morale of the service as a result of these conditions is apparent. In 1928 it was estimated that no less than 109 offices in the two branches of the Foreign Service were in urgent need of a total of 122 career officers to take charge of them or to strengthen them.

The need for additional funds for clerk hire in missions and consulates has also been apparent for several years. The salaries for the clerical force, which numbers

more than 1,700 employees and includes non-career vice-consuls, i. e., vice-consuls who are not in the Foreign Service, are met from an annual "lump sum" appropriation. This appropriation is apportioned among the various missions and consulates according to their needs. The positions are not classified and no uniform salaries are specified for comparable work. Practically all clerks and non-career vice-consuls receiving more than \$1,000 a year are American citizens. Their salaries vary from post to post and range up to \$3,600. The average for American clerks is very low, however—in the neighborhood of \$2,000—and the occupants of these positions receive no relief in the way of rent allowances or post allowances. Funds have been urgently required both for increasing the number of clerks in the various missions and consulates, and for raising their salaries.

If these and other important needs have not been met, Congress alone cannot be held responsible. As stated in the introduction to this report, the responsibility for maintaining an efficient executive service is divided between the President (and the department heads) and Congress. The President is expected to inform Congress of the needs of the executive departments; Congress on the other hand is charged with the duty of enacting new legislation when needed and with the appropriation of all funds required by the executive departments for their proper administration.

PREPARATION OF THE STATE DEPARTMENT BUDGET

The procedure followed in preparing and submitting to Congress the annual appropriation estimates is briefly as follows: During the spring the Budget Officer of the Department requests each division chief and head of each department bureau or office to submit detailed estimates of the amounts they will require for the second following fiscal year. (The government fiscal year runs from July 1 to June 30.) The Department begins preliminary estimates, therefore, in the spring of 1928 for the appropriations covering the year from July 1, 1929 to June 30, 1930. The Budget Officer

requests each division chief to explain in detail the need for any increases he may request and to submit in writing all necessary information about the work of his division. These tentative estimates are consolidated by the Budget Officer, who then prepares a preliminary estimate for the entire Department and the Foreign Service. The Budget Officer may revise the estimates submitted by the division chiefs and the heads of the bureaus.

Under the Budget and Accounting Act of 1921¹⁷ the head of each government de-

16. U. S. Subcommittee of Appropriations Committee (House), *Hearing*, State Department appropriation bill, 1930.

17. An Act to Provide a National Budget System and an Independent Audit of Government Accounts, and for Other Purposes. Washington, Government Printing Office.

partment is required to submit the departmental estimate to the Bureau of the Budget on or before September 15 of each year. A Committee of the Bureau of the Budget meets with the Budget Officer of the Department and goes over the preliminary estimates, indicating the final amount which the Department may request. The estimates approved by the Budget Bureau are incorporated in the governmental budget, which is transmitted to Congress by the President on the first day of each regular session. The act requires that no estimate or request for an appropriation, and no request for an increase in any item shall be submitted to Congress by the departments unless at the request of Congress.¹⁸

The departmental estimates approved by the Budget Bureau are referred in the first instance to the House of Representatives Committee on Appropriations, and hearings are conducted by a subcommittee as soon as Congress convenes. Because of the large number of appropriation bills which Congress is required to handle, the House Committee usually calls its hearings a few weeks before Congress meets. The Budget Officer of the Department appears before the committee to defend the estimates, and frequently calls on the division chiefs and other department officers, sometimes including the Secretary of State, to explain the estimates and needs of the Department. Although Congress is not prevented by the law from increasing the estimates approved by the Bureau of the Budget, the appropriation committees have generally accepted the estimates approved by the Bureau of the Budget.

At the same time, there is nothing in the Budget Act to prevent the head of a department, such as the Secretary of State, from telling Congress, at the request of the Appropriation Committee, just what the needs of his department are, and to what extent they can be met by the estimates approved by the Bureau of the Budget.

Although the needs of the State Department have been apparent for a number of years, no broad statement of these needs was submitted to Congress (or, apparently, to the Bureau of the Budget) until 1928.

In November of this year Secretary of State Kellogg appeared before the Appropriations Subcommittee, stating for the first time that he did not regard the estimate approved by the Budget Bureau as sufficient to enable the Department of State to function as it should. He expressed the opinion that the Department required a great deal more money, but in making this statement, he made it clear that he did not wish to urge a departure from the estimate of the Bureau of the Budget.¹⁹ A table was inserted in the record, however, showing that the preliminary estimates for 1930 were cut from \$17,360,247.45 to \$14,744,831.43, a reduction of more than \$2,600,000.²⁰ The original estimates, according to the Secretary of State, represented the minimum on which the Department felt it could function properly. They included amounts to cover replacement of a certain number of Foreign Service officers detailed temporarily to the Department, promotions which had been held up for lack of funds, additional personnel for the Treaty Division and the Protocol Division, created during the past year and staffed entirely by officers transferred from other divisions, for additional clerks in embassies, legations, and consulates, for additional printing and binding required by the Division of Publications, and for contingent expenses, and many other items.

In making its preliminary estimates for 1930 the State Department, however, had requested an increase of almost \$3,000,000 over the appropriations for 1929. This marked a sharp departure from the policy followed during the preceding years when the Department had cut its preliminary estimates to the very minimum, in order to comply with the request of the Bureau of the Budget for "economy." Not since 1925 had the Department asked the Budget Bureau or Congress for the amounts which it actually felt that it needed to function properly.

The following table shows the amount originally estimated by the Department, the Department's own final estimate and the amount approved by the Bureau of the

18. Section 206, an Act to provide a national budget system, etc.

19. U. S. Subcommittee of Appropriations Committee (House). *Hearing Appropriation Bill, 1930*. Washington, Government Printing Office.

20. Cf. Appendix.

Budget under appropriations for salaries for the Department in Washington for the fiscal years 1925 to 1929:

<i>Fiscal Year</i>	<i>Preliminary Estimate</i>	<i>Final Estimate by Department</i>	<i>Approved by Bureau of Budget</i>
1925	\$1,280,680	\$1,273,940	\$1,069,600
1926	1,126,000	1,097,140	1,069,600
1927	1,154,640	1,086,940	1,069,600
1928	1,089,455	1,089,600	1,089,600
1929	1,192,020	1,089,600	1,145,760
Totals	\$5,842,795	\$5,637,220	\$5,444,160

With the exception of 1925, the Department's own final estimate varied very little from the amount approved by the Budget.

The Bureau of the Budget declined to approve deficiency estimates for 1928 and supplementary estimates for 1929 requested by the Department principally for promotions, reallocations, and new positions.

In other cases, however, the Department apparently had not made a strong appeal for added funds.

Although the Rogers Act specifically authorized "representation allowances" to diplomatic missions, and to consular offices at capitals of countries where there is no diplomatic mission, the Department has never requested funds for this purpose from the Budget or from Congress. The need for representation allowances, which are granted by Great Britain and other powers in order to compensate their diplomatic representatives for heavy expenses which they are obliged to incur, was amply demonstrated during the hearings on the Rogers bill, and the authorization was made in the act to remedy the unsatisfactory condition which had prevailed.

The only request which the Department made until 1928, however, was a relatively small appropriation for "post allowances." For the fiscal year 1925 an appropriation of \$125,000 was approved by the Bureau of the Budget to make special allowances by way of additional compensation to Foreign Service officers assigned to countries where the cost of living was excessive. In 1926 and 1927 the Budget approved only \$25,000, an amount which permitted the Department to compensate only a few of the officers in the lower grades, who were unable to live

on their salaries. The need for additional allowances, particularly in the Far East and South America, was emphasized in both years during the hearings before the Appropriations Committee, and letters from Foreign Service officers were inserted in the record.²¹ Many officers, it was shown, were vitally affected by the exchange rates of the countries to which they were detailed, the actual purchasing power of their salary being seriously reduced by the changing rate of exchange, as well as the rising cost of living. The amount allowed for this purpose was increased for 1928 and 1929 to \$100,000, which permitted the Department to compensate 287 of the lowest salaried officers an average of \$348 each. No allowance was paid officers in the higher grades, although many were required to supplement their salaries from their own pockets.

The Department did not request an increase for post allowances for 1930, but asked for the first time an additional appropriation for rent allowances. This was disallowed by the Bureau of the Budget on the ground that no special authorization had been made by Congress and on the ground of economy. For four years, however, the Bureau of the Budget had approved and Congress had appropriated funds for rentals in China, Turkey and Japan, in districts where rentals and living expenses are excessive. Other Foreign Service officers have benefited from the construction or purchase of embassies and legations by the government, being carried out by Congress under the provisions of a special act, and some of these officers have been quartered in these new government buildings. The Department felt that because of this fact some compensation should be made to other Foreign Service officers living in districts where rent is excessive. It did not request, even in the 1930 budget, however, any appropriation for representative allowances.

The amounts requested in the original estimates submitted to the Bureau of the Budget prior to 1928 for other pressing needs of the Foreign Service—such as the need for additional Foreign Service officers, additional clerks in the field, and higher compensation for clerks, transportation,

21. U. S. Subcommittee of the Appropriations, Committee (House). *Hearings*, Appropriation bill, 1927, p. 98-100.

telegraph and cable tolls, etc.—and the material needs of the Department in Washington, are not available to the public. From the published hearings before the Appropriations Committee of Congress, however, it is evident that the State Department had not been asking for the amounts which it actually required if it was to function effectively. Even in the estimates for 1930 the Department did not demand the full amount which it actually needed.

In regard to the need for additional Foreign Service officers in the field, Assistant Secretary Carr informed the Appropriations Committee of the House that the Department was in urgent need of a total of 122 career officers at the present time in the two branches of the Foreign Service. These officers were needed, he explained, to take

over consulates now in charge of American clerks or junior career vice-consuls or to strengthen diplomatic missions and consular offices which are undermanned.²²

In the estimates for 1930, however, the Department had only asked for an increase of \$239,900 for additional Foreign Service officers and replacement of Foreign Service officers in the Department. This amount, if approved by the Budget, would only have provided sixty-two Foreign Service officers, or enough to provide half the additional assistance actually required. The estimate called for twelve additional Foreign Service officers at \$2,500 each, and for an increase in the departmental appropriations to enable the Department to replace the fifty Foreign Service officers now assigned to duty in Washington, and release them for service in the foreign field.

ADMINISTRATION OF THE DEPARTMENT

In theory, the Secretary of State is personally responsible for the administration of the Department and the Foreign Service. He is held accountable to the President for the proper functioning of both establishments and is expected to keep the President and Congress informed of the needs of his Department. The Rogers Act imposes certain specific administrative duties on the Secretary of State. It directs him, for example, to report to the President with his recommendations the names of Foreign Service officers who have shown their capacity for promotion to higher grades in the service or to the grade of minister; it authorizes him to prescribe rules and regulations for the establishment of the retirement and disability system, and to order Foreign Service officers to the United States on their statutory leave of absence. Within the Department in Washington, the Secretary of State signs all "Departmental Orders." He has authority to create new divisions, to organize the work of the Department in any way he sees fit, and to prescribe the duties of all officers and employees.

In actual practice, however, the Secretary is unable to devote his personal attention to all matters arising in connection with the administration of the Department and the

Foreign Service. His major concern is with questions of policy and his duties are so exacting that he must depend upon the advice of others for the performance of administrative functions.

If the Department has experienced difficulties in connection with administration, if its needs have not been recognized or met, it is due in the opinion of many observers to its failure to place full responsibility in the hands of one officer of high rank whose sole duty it is to supervise the administration of the Department and the Foreign Service as a whole. For a number of years the administrative work of the Department of State has been divided among almost a dozen officers, divisions, boards and bureaus. The more important administrative agencies include: for the Department in Washington—the Office of the Chief Clerk and Administrative Assistant, the Bureau of Accounts, the Disbursing Office, the Board of Review for Efficiency Ratings; for the Foreign Service—the Division of Foreign Service Administration, the Foreign Service Buildings Office, the Foreign Service Personnel Board, and the Office of the Executive Committee of the Foreign Service Personnel Board; for the Depart-

²² *Hearings, Department of State Appropriation Bill, 1930*, p. 99.

ment and the Foreign Service—the Budget Office, under the personal direction of the Budget Officer for the Department of State. The functions performed by these agencies divide themselves roughly into matters relating to operation, matters relating to personnel and matters relating to fiscal administration.

Nominal supervision of all administrative activities is vested in the Undersecretary of State, who is charged with the “general direction of the work of the Department and the Foreign Service.” Like the Secretary, however, the Undersecretary is engaged primarily in the political or “policy formation” work of the Department and has seldom been able to devote his attention to purely administrative questions. He is not, moreover, a permanent officer, but is appointed by the President with the advice and consent of the Senate. Few, if any, occupants of the office have remained in the Department long enough to become thoroughly familiar with its administrative problems. Since July 1919 there have been no less than seven Undersecretaries, whose term of office has averaged approximately one year and four months.²³

In recent years direct supervision has been shared by at least three State Department officials: two Assistant Secretaries and an officer designated “Administrative

Assistant” or “Executive Officer.” Until very recently none of these officers has been given full responsibility for the administrative activities of either of the two establishments, the Department or the Foreign Service. One of the Assistant Secretaries has served more or less in an advisory capacity as Administrative Officer for the Department. The Administrative Assistant or Executive Officer, who has devoted his full time to departmental matters, has usually reported to this Assistant Secretary or to the Undersecretary. The other Assistant Secretary has acted as Budget Officer for the Department and Foreign Service as a whole, and has been designated “Director of the Consular Service.” The duties of all three officers have been changed from year to year, and at times the direction of several of the bureaus has been extremely vague.

Until very recently (November 1928) the Budget Officer, while responsible for preparing the annual estimates for appropriations, has not had direct supervision over disbursements. Both Assistant Secretaries and the Administrative Assistant have dealt with fiscal matters. All three officers, as well as two separate boards appointed by the Secretary, have been required to deal with personnel questions, and all three have supervised matters relating to operation.

DUTIES OF ADMINISTRATIVE ASSISTANT

The position of Administrative Assistant or Executive Officer has been subject to frequent changes, both in personnel and in duties. Since 1924 no less than six persons have held this position:

1924—Edwin C. Wilson, a Foreign Service Officer, responsible to Assistant Secretary J. Butler Wright.

1925—Edwin C. Wilson, responsible to Assistant Secretary J. Butler Wright; also 1925—E. J. Ayers, Chief Clerk and Administrative Assistant, responsible to Assistant Secretary J. Butler Wright.

1926—Donald Evans, expert from the Bureau of Efficiency, designated Administrative Assistant to the Secretary of State.

1927—E. J. Ayers, Chief Clerk and Administrative Assistant, responsible to J. Butler Wright; 1927—Alexander C. Kirk, Foreign Service Officer, designated Executive Officer of the State Department, responsible to Undersecretary Robert E. Olds.

1928—E. J. Ayers, Chief Clerk and Administrative Assistant, responsible to Assistant Secretary Wilbur J. Carr.

The duties of the Administrative Assistant or Executive Officer have been defined from time to time by Departmental Orders. A Departmental Order of February 24, 1926 set forth the duties of the Administrative Assistant in part, as follows:

“1. To supervise the administration of the Bureau of Accounts, the Index Bureau, and the Office of the Chief Clerk; and the strictly service functions of the Divisions of Publications;

“2. To supervise and direct the expenditure of the departmental appropriations;

23. The title of “Counselor for the Department of State” was changed to Undersecretary on July 1, 1919. The office has been held by the following since that date: Frank Lyon Polk (July 1, 1919-June 15, 1920); Norman H. Davis (June 15, 1920-March 7, 1921); Henry P. Fletcher (March 8, 1921-March 6, 1922); William Phillips (April 26, 1922-April 11, 1924); Joseph C. Grew (April 16, 1924-June 30, 1927); Robert E. Olds (July 1, 1927-July 1, 1928); J. Reuben Clark (July 1, 1928-.....).

"3. In conjunction with the Budget Officer to recommend to the Secretary the apportionment of the annual departmental appropriations;

"4. To prepare and submit to the Budget Officer the estimates for the annual departmental appropriations, etc.;

"5. To cooperate with the Budget Officer and to be responsible for furnishing the latter with such reports, statements, etc., as may be required regarding the administration, appropriations and financial needs of the Department."

As noted above, Mr. Evans, who had reported directly to the Secretary of State, resigned on November 1, 1926. He was succeeded by the Chief Clerk, who was designated "Administrative Assistant" and was responsible to an Assistant Secretary. On June 30, by Departmental Order, Mr. Alexander Kirk, a Foreign Service officer who had been detailed to the Undersecretary of State, was instructed "to assist the Undersecretary in connection with administrative matters." His duties were not defined. On October 4, 1927 Mr. Kirk was officially designated "Executive Officer" for the Department of State. The duties of Executive Officer were described by Departmental Order No. 427.

"Mr. Alexander Kirk is hereby designated Executive Officer for the Department of State and charged with the direct supervision of all matters relating to the personnel of the Department, methods of office procedure, distribution of work throughout the Department, and allotment of office space.

"The Chief Clerk will bring to Mr. Kirk's attention all questions relating to the foregoing matters which fall within the former's jurisdiction, and all officers in the Department are requested to cooperate with Mr. Kirk in the discharge of his duties.

"Departmental Order 418 is hereby canceled. Mr. Kirk will report directly to the Undersecretary."

The jurisdiction of the Executive Officer with relation to the Budget Officer, and with relation to the Chiefs of the Administrative Divisions or Bureaus was not clearly established. In October 1928 Mr.

Kirk was appointed First Secretary of the Legation at Rome, and the position of Executive Officer was abolished.

On November 2, 1928, Departmental Order No. 456 provided that "the general administration of the Department of State, including supervision of matters relating to personnel, distribution of work, methods of office procedure and allotment of office space was hereby vested in Wilbur J. Carr, Assistant Secretary of State.

"The Chief Clerk and Administrative Assistant is hereby assigned to Mr. Carr's jurisdiction, and will hereafter report to him."

Assistant Secretary Carr is also Budget Officer and director of the consular activities. By Departmental Order No. 457, November 2, 1928, the position of Budget Officer was changed to Budget and Fiscal Officer. The order read in part as follows:

"As Fiscal Officer he will be responsible for the apportionment and allotment of funds for the various offices to carry out the purposes for which the funds have been appropriated, and such funds shall be allotted in accordance with the program as presented in the Budget estimates and by such monthly, quarterly and other apportionments as in his judgment will best promote the control of obligations and expenditures to be incurred thereunder.

"All estimates of appropriations for the Department and the several activities will be appropriated under the direction and supervision of the Fiscal Officer acting in his capacity as Budget Officer."

From the administrative viewpoint the position of Budget Officer is one of the most important in the Department. Practically every change in the organization or personnel of the Department is dependent on appropriations. The creation of new divisions, the employment of new clerks, the promotion and reallocation of officers and the functioning of both the Department and the Foreign Service are dependent in large part upon funds made available by Congress.

ADMINISTRATION OF THE FOREIGN SERVICE

As noted above, supervision of administrative activities relating to the Foreign Service is not centralized in one office. The Assistant Secretary who is now Budget and Fiscal Officer, is in charge of all consular activities and directs the consular work of the several divisions and bureaus of the

Department. These include the Division of Foreign Service Administration, which deals with diplomatic as well as consular administration; the Consular Commercial Office, which grades and criticizes commercial and economic reports from consuls; and the Foreign Service Buildings Office. In 1926 an-

other Assistant Secretary was in charge of the administration of the diplomatic branch, but following his resignation in 1927 no provision was made officially to have his administrative duties transferred to his successor. Budget and accounting matters relating to the Foreign Service are under the direct supervision of Assistant Secretary Carr. Questions relating to the Foreign Service personnel, however, are handled by three different agencies, the Foreign Service Personnel Board, the Division of Foreign Service Administration and the Consular Commercial Office.

The Foreign Service Personnel Board was created by an Executive Order of June 7, 1924, to carry out the provisions of the Rogers Act. The Board was to be composed of the Undersecretary of State, and Assistant Secretary of State, the Director of the Consular Service (whose title was changed to Assistant Secretary of State by the Rogers Act) and three Foreign Service officers of high rank who formed the Executive Committee of the Board. The principal duties of the Board are to submit to the Secretary of State lists of Foreign Service officers whose records of efficiency entitle them to advancement in the service or promotion to the grade of minister or ambassador, to recommend assignment or transfer of Foreign Service officers, to recommend separation from the service in the case of officers whose efficiency is below the standard and to consider controversies and delinquencies among the service personnel.

The duties of the Executive Committee of the Board were defined in a Departmental Order of June 9, 1924:

1. To take into its possession and consolidate immediately all records and material relating to the personnel of the Foreign Service, both diplomatic and consular. The Diplomatic Bureau, the Consular Bureau and the Office of Consular Personnel will promptly surrender all such files and records as may be in their possession.
2. To keep the efficiency records of all Foreign Service officers and employees.
3. To collect, collate, and record pertinent data relating to Foreign Service personnel.
4. To submit to the Foreign Service Personnel Board recommendations for the assignment of officers to posts and the transfer of such officers from one branch of the service to the other.

5. To recommend the granting of leaves of absence.

6. To interview applicants and prospective applicants for the Foreign Service.

7. To examine and recommend for appointment applicants for positions as subordinate employees in the Foreign Service.

8. To maintain contact with Foreign Service officers and employees while on visits to the United States. For this purpose a register of visiting officers and employees shall be kept.

All personnel records shall be held strictly confidential, and no papers, documents, data, or reports relating thereto shall be revealed except to the Secretary of State, the members of the Foreign Service Personnel Board, and the Board of Review.

While many of these functions relating to the personnel of the Foreign Service were consolidated in the Office of the Executive Committee of the Personnel Board, others are still retained by the Division of Foreign Service Administration. In 1928 the following personnel functions, among others, were being performed by the Division of Foreign Service Administration:

1. Preparation of all official instructions and notices of diplomatic and Foreign Service personnel appointments; transfers, promotions, retirements, and resignations, and maintenance of records thereof.

2. All questions relating to transportation of Foreign Service personnel and their effects.

3. Review and approval of requests for leave of absence by Ambassadors, Ministers, Foreign Service officers and personnel.

4. Review and grading of work of consular officers in so far as directly related to shipping.

5. Review and analysis of Consular Inspectors' reports on consular offices and issuance of instructions thereto.

The Consular Commercial Office, which reviews all incoming consular correspondence relating to trade promotion, etc., and transmits instructions and requests to consular posts is also responsible for certain personnel matters. This office, among other things, grades and criticizes all economic and commercial reports, including trade reports, trade letters and reports prepared for the Bureau of Foreign and Domestic Commerce of the Department of Commerce. Each report reviewed by the Consular Commercial Office is graded, and the records are used in determining the final efficiency ratings of consular officers for purposes of promotion.

THE FOREIGN SERVICE PERSONNEL BOARD

Only brief mention has been made of the duties of the Foreign Service Personnel Board. Space prevents a detailed review of the functioning of the Board since its creation under the Rogers Act, but the fact must be mentioned that considerable dissatisfaction has been expressed by both members of the Foreign Service itself and by Congress with the organization of the Board and its methods. On December 17, 1927, Senator Harrison of Mississippi submitted a resolution calling for an investigation by the Senate Foreign Relations Committee of the administration of the Rogers Act, particularly the work of the Personnel Board. Hearings were held by a special subcommittee during the early part of 1928, and a report accompanied by a bill amending the Rogers Act was submitted to the Senate on May 3.²⁴

The report of the subcommittee expressed the opinion that the application of the Rogers Act had been approached in a manner at variance with the purpose of the legislation, and pointed particularly to what it regarded as the unsatisfactory composition of the Board, and to the distinction shown by the Board to officers in the diplomatic branch, as against officers in the consular branch. As set up by Executive and Departmental Order, the Board was composed of two separate units: The Board proper, composed of the Undersecretary, two Assistant Secretaries and three Foreign Service officers, who constituted the Executive Committee. The latter officers were substantially independent, taking their final recommendations with respect to promotions, etc., to their colleagues and then acting in concert on these recommendations. The second unit was established in 1926 by a Departmental Order which created a Board of Review composed of five Foreign Service officers of high rank appointed by the Secretary of State. This Board of Review was authorized to examine impartially all records and ratings gathered by the Executive Committee of the Personnel Board, and instructed to submit a report once a year to

the full Board showing the relative standing of all officers and employees.

The Senate subcommittee criticized this machinery as "too cumbersome to function easily, or perhaps even justly," and took exception to the dominant position occupied by Foreign Service officers on the Board.²⁵ Referring to the position of Foreign Service officers on the Board, the subcommittee stated it could not "avoid recording the fact that every member of the Foreign Service or of the Department staff—with one exception—who has served upon the Personnel Board in any one of its units since July 1, 1924, has received a promotion, and some of them more than once."²⁶ This referred in part to the appointment of several members of the Personnel Board to the position of minister in the Diplomatic Service, the recommendation being made by the Board itself.²⁷

The bill submitted by the Foreign Relations Committee and passed by the Senate embodied a number of amendments to the Rogers Act relating particularly to the method of handling promotion and transfer in the Foreign Service. Briefly, the bill provided for creation of a Bureau of Personnel in the State Department under the supervision of an additional Assistant Secretary of State, who was to have no other duties assigned to him and who, at the time of his appointment, and for two years prior thereto, should not be a Foreign Service officer. The staff of the Bureau was to be completely divorced from the personnel of the Foreign Service; no officer in the Foreign Service was to be appointed or assigned to the Bureau, and no person who had been in the Foreign Service within two years was to be eligible for appointment to the Bureau. The bill also provided for a board of selection for Foreign Service officers, composed of the Assistant Secretary, who should be chairman, one member of the Personnel Office, and three other competent persons to be appointed annually by the Secretary of State. Not more than one of

24. U. S. Subcommittee of Foreign Relations Committee (Senate). Report to accompany an Act to Amend the Act approved May 24, 1924, "An Act for the reorganization and improvement of the Foreign Service of the United States, and for other purposes" S. 4332.

25. Senate Report, p. 2.

26. Senate Report, p. 3.

27. It should be noted in this connection that all appointments to the position of minister and to the several grades of the Foreign Service are made only with the advice and consent of the Senate.

the latter was to be a Foreign Service officer.

The Senate bill, after receiving approval of the upper chamber, was introduced in the House and referred to the Committee on Foreign Affairs on May 11, 1928. At that time the House Committee was considering another bill introduced by its chairman, Mr. Porter of Pennsylvania, to provide for the reorganization of the Department of State,²⁸ and shortly afterwards Mrs. Rogers of Massachusetts introduced a third bill modifying in some respects the provisions of the Senate measure.²⁹ At the time of writing this report all three bills were in the hands of the House Committee on Foreign Affairs. Hearings on the Porter bill were begun in the final weeks of the first session of the 70th Congress, but had not been resumed during the short session.

The importance of administrative machinery with relation to the functioning of the Department and the Foreign Service has been recognized in all the bills now before Congress. But Congress has also recognized that the mere enactment of legislation cannot in itself insure smooth and effective functioning. In the final analysis the efficiency of any organization depends upon the administrative capacity and resourcefulness of the organization itself.

The handling of personnel matters referred to above is only one of several administrative functions which concerns the Department and the Foreign Service. Questions relating to operation and fiscal control are equally important, as a thorough survey of the Department as a whole would show. Such a survey, however, is not within the scope of this report, and should only be undertaken by a competent official agency. The Department itself has undertaken no comprehensive study of its needs or its administrative machinery, although it has appointed individuals and committees from time to time to study and report on special activities or functions. The expert from the Bureau of Efficiency who was appointed Administrative Assistant for the Depart-

ment in 1926 was authorized to report on methods, business procedure and organization, but very few changes were made as a result of his investigations.

During the past year the Executive Officer of the Department undertook a number of studies some of which resulted in valuable improvements and a more effective distribution of work and alignment of duties. The creation of the Treaty Division and the Protocol Division has already been mentioned. A special translation section was set up. The handling of fiscal matters was partially reorganized. A survey of the allotment of office space was made which resulted in a general realignment of the offices and some improvement in working conditions. A dangerous situation was revealed, however, as a result of overcrowding in the present quarters. Examinations for Junior State Department officers were instituted. Other improvements recommended, including promotions and reallocations, were not carried out because of lack of necessary funds.

Although the Department did not authorize any comprehensive survey to determine the need for general reorganization, a number of suggestions have been made unofficially by Department officers and small groups or committees composed of Foreign Service officers and Department officials. With respect to administration, the suggestion has been made that all administrative agencies should be under the direct supervision of an additional Assistant Secretary, or an additional Undersecretary who would devote his full time to these activities. The actual administration of the Department and the Foreign Service is divided into questions relating to *personnel* and questions relating to *operation*. Matters relating to the personnel of the State Department and the operation of the State Department should be handled in separate offices or separate sections of the same office, and the same divisions should be made in the case of the personnel and operation of the Foreign Service. These offices should be supervised by an Assistant Secretary of State. This plan contemplated further the appointment of an administrative officer for the Department who should have direct charge of the personnel and the operation of the

28. U. S. House of Representatives. "A Bill to provide for the reorganization of the Department of State, and for other purposes." H. R. 13,179.

29. U. S. House of Representatives. "A Bill to amend the Act . . . approved May 24, 1924, 'An Act for the reorganization and improvement of the Foreign Service of the United States, and for other purposes.'" H. R. 13,833.

Department of State and an administrative officer for the Foreign Service who should have charge of the personnel and operation of the Foreign Service. These two administrative officers should make recommendations to the Assistant Secretary and be responsible to him for the performance of the duties assigned them.

The above proposal, which included a recommendation for a general regrouping of activities, did not contemplate placing budget and fiscal functions under the Assistant Secretary in charge of administration. Other unofficial proposals suggested that all administrative questions should be under the personal direction of an additional Undersecretary of State.

Despite the fact that Congress had been considering new legislation for almost a year, the Department had formulated no official plan embodying its own ideas in regard to reorganization at the time this report was prepared. The Porter bill, already mentioned, contemplated the creation of a "Home Service of the Department of State," intended to place Department officers on a plane of equality with Foreign Service officers, the creation of one additional Undersecretary and two additional Assistant Secretaries and the establishment of a Departmental Board for dealing with matters of business administration. The bill provided that all officers and employees of the Department whose salaries were \$3,000 a year or more (with the exception of the Secretary, Undersecretaries and Assistant Secretaries and Foreign Service officers on duty in Washington) should constitute the Home Service. Under the provisions of the bill Home Service officers would be classified in seven classes, corresponding with the seven upper grades of the Foreign Service, with salaries ranging from \$3,000 in Class 7 to \$9,000 in Class 1. This in effect would exempt Home Service officers from the provisions of the Classification Act of 1923 as amended by the Welch Act. The Personnel Classification Board would not have jurisdiction over positions in the Home Service.

The compensation of the two Undersecretaries and the six Assistant Secretaries would be raised by the Porter bill to \$13,500 and \$12,000 respectively. The additional Undersecretary would be designated as Di-

rector of Business Administration of the foreign and domestic establishments of the Department of State and would serve as chairman of an administrative board composed of the other Undersecretary and the Assistant Secretaries. One of the additional Assistant Secretaries would be designated Counselor of the Department and would advise the Secretary on legal matters. The other additional Assistant Secretary would direct exclusively all personnel matters relating to the administration of the Home Service and the Foreign Service. No person who had been a Foreign Service officer within seven years would be eligible for appointment as Assistant Secretary in charge of personnel, and no person who had been a Foreign Service officer within five years would be permitted to perform any duties in connection with personnel administration. Furthermore, no officer or employee performing duties in the administration of such personnel would be eligible for appointment to the Foreign Service within five years from his separation from the personnel section.

The Porter bill also called for the creation of an Advisory Council composed of the Secretary of State and high Department officers which might meet at the call of the Secretary with the chairman and ranking members of the Senate and House Committees on Foreign Affairs to consider important questions.

During hearings on the Porter bill held in the spring of 1928 the Secretary of State, the Undersecretary, the Solicitor and other high officers of the Department testified before the House Committee on Foreign Affairs. A majority of the meetings were held in executive session, however, and the hearings were not made public.

As no general plan has been announced, the attitude of the Department as a whole with respect to the problem of reorganization cannot be definitely determined. A committee composed of both Foreign Service officers detailed to the Department and State Department officers has been working on the question with particular reference to the proposed legislation, but its conclusions have been kept confidential. Informal groups have also been discussing the problem.

One of the most comprehensive plans, which has not been officially approved but which reflects the views of one group of officers in the Department, provides for the creation of a unified "Service of Foreign Relations" by amendment of the Rogers Act. The Foreign Relations Service would include officers in the diplomatic branch, officers in the consular branch, and officers in the home service.

Under this plan the classification and grades of diplomatic and consular officers would be uniform, with four classes and an unclassified group (instead of the eight classes established under the Rogers Act):

Class 1	\$8,000 - \$10,000
Class 2	6,000 - 8,000
Class 3	4,500 - 6,000
Class 4	3,000 - 4,500
Unclassified	2,500 - 3,000

All professional and scientific officers now serving in the Department of State and those administrative officers whose salaries are \$3,000 per annum or more (except the Secretary of State, the Undersecretary, the Assistant Secretaries and Foreign Service officers on duty in Washington) would be eligible for appointment by the President, by and with the advice and consent of the Senate, without examination, to the home office branch of the Service of Foreign Relations. These officers would be classified as follows:

Class 1	\$8,000 - \$10,000
Class 2	6,000 - 8,000
Class 3	4,500 - 6,000
Class 4	2,500 - 4,500

Future appointments to the position of Foreign Relations officer would be made after examination. All such appointments or promotions would be made by and with the advice and consent of the Senate. While examinations for entrance into the diplomatic, consular and home office branches of the Service of Foreign Relations should, in so far as practicable, be similar, the Secretary of State would be authorized to require applicants for entrance into the home office to pass written and oral examinations in additional subjects deemed necessary to demonstrate fitness for a particular position in the home office. Appointment to

the Service of Foreign Relations without examination might be made in the case of employees who had ten years of satisfactory continuous service as clerk in a mission or consulate, or five years continuous service in the Department of State.

Diplomatic or consular officers would be eligible for duty in the Department of State in an advisory capacity without loss of class or salary for a period of not more than three years unless the public interest demanded further service, when the assignment might be extended for a period not to exceed one year. Likewise, home service officers might be assigned for duty abroad without loss of class or salary subject to the same limitation.

Under this plan there would be established in the Department of State three additional Assistant Secretaries of State to be appointed by the President, by and with the advice of the Senate, whose salaries together with the salaries of the present four Assistant Secretaries of State would be \$12,000 each per annum. All Assistant Secretaries of State would have the rank of minister. The salary of the Undersecretary of State would be at the rate of \$13,500 per annum, and he would have the rank of ambassador.

One of the additional Assistant Secretaries of State would have supervision over all matters of protocol. Another Assistant Secretary would be the principal legal adviser of the Department (in lieu of the Solicitor for the Department of State which office would be abolished). The third additional Assistant Secretary would administer the Service of Foreign Relations and have supervision of a Division of Personnel.

The Division of Personnel contemplated in this plan would assemble, record and be the custodian of all available information relating to the personnel of the Service of Foreign Relations. No Foreign Relations officer would be eligible to appointment or assignment to the Division.

The Foreign Service Personnel Board as at present constituted would be abolished. The duty of recommending promotions in the Service of Foreign Relations would be entrusted to a Board of Selection of Foreign Relations officers. This Board would be composed of the Assistant Secretary in

charge of administration, serving as chairman, with two votes, and three Foreign Relations officers of Class 1, representing each of the three branches, with one vote each, appointed annually by the Secretary of State.

The Assistant Secretary would be required to make an annual report to the Secretary of State who would send a copy to Congress with the Budget estimates. The report would show in tabular form the names, dates of appointments, current grades and salaries, and the posts held at the time by all Foreign Relations officers, and other pertinent information relating to

the personnel of the Service of Foreign Relations. It would likewise include any recommendations which the Board of Selection might wish to make for the improvement of the Foreign Relations Service.

This proposal also suggests a new system of efficiency ratings, the extension of the Foreign Service Retirement and Disability Fund to include all officers in the Service of Foreign Relations, the authorization of representation allowances, or allowances for rent whenever the cost of living is excessive, etc., for Foreign Relations officers serving abroad, and contains other provisions which need not be reviewed here.

CONCLUSION

The Department of State is, or should be, above all else the department of peace. Its greatest function is to develop better means than war for settling international controversies, and the very object for its being is to maintain friendly relations with other nations.

If this report has placed greater emphasis on machinery and organization than it has on policies, it is because organization is a necessary prerequisite to effective operation. The primary object of the State Department cannot be fully realized if its organization is faulty or its administrative machinery is weak. Nor can it operate without funds. But increased appropriations are of secondary importance and cannot accomplish their object unless provision is first made for their wise expenditure.

The problem of the organization of the State Department is not a simple one. It involves questions of basic importance which in some instances, as we have shown, concern other branches of the government. Three of these stand out above the rest:

1. Should the home office in Washington be a separate establishment, or should it be amalgamated with the Foreign Service to form a unified Service of Foreign Relations?

2. Should the system of appointing and promoting Foreign Service officers be extended to the State Department staff in Washington, or does this system tend to develop a bureaucratic personnel which may become unresponsive to public opinion?

3. Can high professional standards be maintained in the government service in general, and in the State Department in particular, if the compensation and the opportunities for advancement offered by the government are less attractive than those provided in private life?

The solution of these questions, and others which relate to the administration of the State Department must be supplied by the President and by Congress, with the aid of the best intelligence in the Department and the Foreign Service. Liberal support would be accorded an able and effective department of foreign affairs.

APPENDIX

EXPLANATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE
AND ITS SEVERAL ACTIVITIES FROM 1919 TO 1927, INCLUSIVE

In considering the appropriations for the Department of State it is desirable to bear in mind that the regulation of the amounts of many of them is not within the discretion of the Department. If the United States decides to become a member of a new international bureau, the membership fee or contribution becomes a fixed charge upon the government which must be met each year. The Department of State has no discretion in the matter. Likewise, when the United States enters into a treaty to establish a claims commission to dispose of a group of international claims, the share of the United States of the cost of that undertaking becomes a fixed charge against the government which must be met. The Department of State cannot stop the expenditure or reduce it below the amount required for the undertaking. Again, the United States may contract by treaty to pay a stipulated sum annually to another government as in the case of its \$5,000,000 annual payment under treaty to Colombia which ceased in 1927, and its \$250,000 annual payment to Panama for the privilege of constructing the canal, which will continue indefinitely. These expenses are not discretionary with the Secretary of State.

Then there is an annual expense for capital in-

vestments—embassy, legation, and consular buildings—which is regulated by a commission created by Congress. The amount of this expense annually is also not within the discretion of the Department, but is determined by the commission.

For the reasons stated all of these expenses have been designated non-operating expenses, while those for the actual operation of the Department and the Foreign Service have been designated as operating expenses. The latter class of expenses are within the discretion of the Department as to the amount of expenditure and it can fairly be held accountable for that amount.

Then there are receipts in the way of fees for services rendered by consular officers and for passports issued to American citizens, which represent cash paid into the Treasury annually. The difference between these receipts and the appropriations for operating expenses is the annual appropriation cost of operating the Department of State and the Foreign Service for which the Department may fairly be held accountable.

The following statement shows the total appropriations for the past nine years and the amounts attributable to non-operating and to operating expenses respectively:

Year	Total Appropriations	Appropriations for Non-operating Expenses	Appropriations for Operating Expenses
1919	\$10,792,711.02	\$ 844,292.87	\$ 9,948,418.15
1920	12,623,657.72	711,132.67	11,912,525.05
1921	10,993,973.79	933,964.91	10,060,008.88
1922	11,856,454.81	2,416,241.78	9,440,213.03
1923	16,272,173.66	6,430,920.92	9,841,252.74
1924	15,639,236.17	6,043,164.83	9,596,071.34
1925	16,570,115.99	6,418,081.61	10,152,034.38
1926	17,108,352.76	7,153,184.86	9,955,167.90
1927	17,547,234.21	7,614,831.52	9,932,402.69

Considered from the standpoint of operating expenses and receipts and cost to the government for expenses of operation the facts are as follows:

Year	Appropriations for Operation	Receipts from Fees	Operation Appropriations in Excess of Fees
1919	\$ 9,948,418.15	\$1,270,508.73	\$8,677,909.42
1920	11,912,525.05	1,864,134.22	10,048,390.83
1921	10,060,008.88	6,849,723.29	3,210,285.59
1922	9,440,213.03	7,978,181.14	1,462,031.89
1923	9,841,252.74	7,702,265.66	2,138,987.08
1924	9,596,071.34	8,114,688.73	1,481,382.61
1925	10,152,034.38	7,448,255.53	2,703,778.85
1926	9,955,167.90	8,624,682.68	1,330,485.22
1927	9,932,402.69	8,786,362.25	1,146,040.44

From these statements it will be apparent that, disregarding the appropriations for non-operating expenses, the amount of which the Department cannot control, the appropriations for the past nine years (1919 through 1927) for operating expenses have ranged from \$9,440,213.03 to \$11,912,525.05. Receipts from fees collected have grown from \$1,270,508.73 in 1919 to \$8,786,362.25 in 1927. The

excess of appropriations for expenses of operation over receipts from fees has been reduced from a maximum of \$10,048,390.83 in 1920 to a minimum of \$1,146,040.44 in 1927. In other words, the net cost to the taxpayers of operating the Department of State expressed in terms of appropriations has decreased from \$10,048,390.83 in 1920 to \$1,146,040.44 in 1927.

TABLE I
APPROPRIATIONS

Year	Dept. of State	Foreign Service	Non-operating Expenses ¹	Total
1919	\$1,143,939.55	\$ 8,804,478.60	\$ 844,292.87	\$10,792,711.02
1920	1,333,888.35	10,578,636.70	711,132.67	12,623,657.72
1921	1,147,248.92	8,912,759.96	933,964.91	10,993,973.79
1922	1,042,960.00	8,397,253.03	2,416,241.78	11,856,454.81
1923	1,220,593.74	8,620,659.00	6,430,920.92	16,272,173.66
1924	1,274,011.20	8,322,060.14	6,043,164.83	15,639,236.17
1925	1,317,535.38	8,834,499.00	6,418,081.61	16,570,115.99
1926	1,326,945.60	8,628,222.30	7,153,184.86	17,108,352.76
1927	1,360,517.47	8,571,885.22	7,614,831.52	17,547,234.21
1928	1,406,305.00	8,825,001.38	3,074,015.13	13,305,321.51
1929	1,464,465.00	9,396,350.00	3,758,048.42	14,618,863.42

1. Capital Investments, International Obligations and Miscellaneous Claims, etc.

TABLE II
COMPARISON OF APPROPRIATIONS AND RECEIPTS
1919 to 1928

	Operating	Non-operating	Total
1919 Appropriations	\$ 9,948,418.15	\$ 844,292.87	\$10,792,711.02
1919 Receipts	1,311,385.63	16,239.94	1,327,625.57
Difference	8,637,032.52	828,052.93	9,465,085.45
1920 Appropriations	11,912,525.05	711,132.67	12,623,657.72
1920 Receipts	1,890,223.41	10,971.93	1,901,195.34
Difference	10,022,301.64	700,160.74	10,722,462.38
1921 Appropriations	10,060,008.88	933,964.91	10,993,973.79
1921 Receipts	6,887,526.76	335,211.57	7,222,738.33
Difference	3,172,482.12	598,753.34	3,771,235.46
1922 Appropriations	9,440,213.03	2,416,241.78	11,856,454.81
1922 Receipts	8,052,446.30	16,045.73	8,068,492.03
Difference	1,387,766.73	2,400,196.05	3,787,962.78
1923 Appropriations	9,841,252.74	6,430,920.92	16,272,173.66
1923 Receipts	7,736,570.98	8,981.46	7,745,552.44
Difference	2,104,681.76	6,421,939.46	8,526,621.22
1924 Appropriations	9,596,071.34	6,043,164.83	15,639,236.17
1924 Receipts	8,214,850.18	87,092.27	8,301,942.45
Difference	1,381,221.16	5,956,072.56	7,337,293.72
1925 Appropriations	10,152,034.38	6,418,081.61	16,570,115.99
1925 Receipts	7,606,234.59	267,953.69	7,874,188.28
Difference	2,545,799.79	6,150,127.92	8,695,927.71

TABLE II (Continued)
COMPARISON OF APPROPRIATIONS AND RECEIPTS
1919-1928

	Operating	Non-operating	Total
1926 Appropriations	9,955,167.90	7,153,184.86	17,108,352.76
1926 Receipts	8,683,139.19	247,806.41	8,930,945.60
Difference	1,272,228.71	6,905,378.45	8,177,407.16
1927 Appropriations	9,932,402.69	7,614,831.52	17,547,234.21
1927 Receipts	8,982,393.73	509,710.59	9,492,104.32
Difference	950,008.96	7,105,120.93	8,055,129.89
1928 Appropriations	10,231,306.38	3,074,015.13	13,305,321.51

EXPLANATORY NOTE

The appropriations listed under *Operating* are those which come within the classifications of "Department of State" and "Foreign Service." The *Non-operating* includes those appropriations which come within the classifications "Capital Investments," "International Obligations," "Permanent and Indefinite" and "Miscellaneous Claims."

The receipts credited to the appropriations for *Operating* are those for "Sale of Surplus Property," "Rent of Buildings," "Interest, Premium and Discount," "Fees, Fines and Penalties," "Reimbursements" and "Miscellaneous." The receipts credited to the appropriations for *Non-operating* are "Trust Funds," "Pan American Union Quotas," which are first shown in 1924, and Canadian Government's Share of Protective Works of the Lake of the Woods and Rainy River," shown in 1927 only.

Inasmuch as the "Permanent and Indefinite" appropriation includes appropriations for "Trust Funds" and "Pan American Union Quotas," and they are considered expenditures under *Non-operating*, it would seem logical to show the receipts for those purposes as income against such expenditures.

TABLE III
STATEMENT COMPARING APPROPRIATIONS FOR THE DEPARTMENT OF STATE FOR 1929,
ESTIMATES FOR 1930, AND ACTION OF THE BUREAU OF THE BUDGET UPON
THOSE ESTIMATES

[NOTE.—The estimate for salaries for the Department of State in this statement has been revised by the following changes: Reallocations estimated at \$100,900, amount required \$21,240, a difference of \$79,660; promotions in grade estimated at \$118,290, amount required \$55,340, a difference of \$62,950; and therefore differs from the estimate as submitted on September 15 to the Bureau of the Budget by the amount of \$142,610, because the Personnel Classification Board has not granted the department's requests for reallocation either as to number of persons or advances in grade as was anticipated when the budget was prepared; and the amount required for promotions in accordance with the average provision of the grade of employees upon the attainment of the required efficiency is not as much as originally estimated.]

Appropriation titles	1929 appropriations	1930 estimates	Amount approved by the Budget Bureau	Difference between 1930 estimates and amounts approved
Department of State:				
Salaries, department	\$ 1,145,760.00	\$ 1,951,049.00	\$ 1,349,820.00	\$ 601,229.00
Contingent expenses, department	53,605.00	198,253.13	55,705.00	142,548.13
Printing and binding	200,000.00	261,525.00	210,000.00	51,525.00
Passport bureaus	63,000.00	78,885.00	70,430.00	8,455.00
Printing ascertainment of electors	2,000.00	.....	.....	.....
Refund of passport fees	100.00	100.00	(1)	100.00
Total, department	1,464,465.00	2,489,812.13	1,685,955.00	803,857.13
Foreign Service:				
Salaries, ambassadors and ministers ...	631,500.00	631,500.00	631,500.00	.....
Salaries, chargé d'affaires	19,000.00	30,000.00	24,000.00	6,000.00
Clerks, embassies and legations	390,000.00	493,709.00	398,400.00	95,309.00
Contingent expenses, foreign missions .	912,850.00	1,387,379.00	919,100.00	468,279.00
Ground rent, Tokyo	250.00	250.00	(2)	250.00
Clerk hire, consulates	1,645,000.00	1,895,000.00	1,645,000.00	250,000.00
Contingent expenses, consulates	1,035,000.00	1,789,294.00	1,063,000.00	726,294.00
Immigration of aliens	500,000.00	560,640.00	505,640.00	55,000.00

TABLE III (Continued)

Appropriation titles	1929 appropriations	1930 estimates	Amount approved by the Budget Bureau	Difference between 1930 estimates and amounts approved
Relief and protection of American sea- men	100,000.00	100,000.00	80,000.00	20,000.00
Rescuing shipwrecked American seamen	2,000.00	2,000.00	2,000.00	.....
United States Court for China	34,250.00	38,350.00	41,650.00	+3,300.00
Prisons or American convicts	13,000.00	18,000.00	9,600.00	8,400.00
Bringing home criminals	11,500.00	11,500.00	6,000.00	5,500.00
Salaries, Foreign Service officers	3,001,000.00	3,131,000.00	3,001,000.00	130,000.00
Expenses of Foreign Service inspectors	25,000.00	25,000.00	22,000.00	3,000.00
Salaries while receiving instructions and transit	20,000.00	40,000.00	23,000.00	17,000.00
Transportation	335,000.00	450,000.00	410,000.00	40,000.00
Emergency fund	400,000.00	400,000.00	400,000.00	.....
Allowance to widows or heirs	2,000.00	2,000.00	2,000.00	.....
Transporting remains	6,000.00	6,000.00	(3)	6,000.00
Post allowances	100,000.00	100,000.00	100,000.00	.....
Foreign buildings fund	1,300,000.00	2,000,000.00	2,000,000.00	.....
Foreign Service retirement	213,000.00	154,146.89	216,000.00	+61,853.11
Diplomatic and consular establishments, Tokyo	250,000.00	.....	.....	.....
Total Foreign Service	10,946,350.00	13,265,768.89	11,449,890.00	1,765,878.89
International obligations	1,916,288.39	1,463,433.43	1,417,753.43	45,680.00
Permanent and indefinite:				
Pay of consular officers for services to American vessels and seamen	10,000.00	10,000.00	10,000.00	.....
Pan American Union quotas	95,233.00	95,233.00	95,233.00	.....
German, Austrian, and Hungarian Gov- ernments' moieties	15,000.00	15,000.00	15,000.00	.....
Miscellaneous trust funds	20,000.00	20,000.00	20,000.00	.....
Miscellaneous permanent and indefinite	1,000.00	1,000.00	1,000.00	.....
Total permanent and indefinite ...	141,233.00	141,233.00	141,233.00	.....
Grand total	14,468,336.39	17,360,247.45	14,744,831.43	2,615,416.02

1. Contingent department.

2. Contingent, foreign missions.

3. Transportation.

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